



**Iowa General Assembly**  
**Daily Bills, Amendments and Study Bills**  
**April 16, 2013**

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Senate File 430

H-1299

1 Amend the amendment, H-1273, to Senate File 430,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 6, before line 19 by inserting:  
5 <8. FOOD BANKS  
6 There is appropriated from the general fund of the  
7 state to the economic development authority for the  
8 fiscal year beginning July 1, 2013, and ending June 30,  
9 2014, the following amount to be used for the purposes  
10 of distribution to a nonprofit, tax-exempt association  
11 that receives donations under section 170 of the  
12 Internal Revenue Code and whose members include Iowa  
13 food banks and their affiliates that together serve all  
14 counties in the state, to be used to purchase food for  
15 distribution to food-insecure Iowans:  
16 ..... \$ 1,000,000>  
17 2. Page 18, before line 21 by inserting:  
18 <8. FOOD BANKS  
19 There is appropriated from the general fund of the  
20 state to the economic development authority for the  
21 fiscal year beginning July 1, 2014, and ending June 30,  
22 2015, the following amount to be used for the purposes  
23 of distribution to a nonprofit, tax-exempt association  
24 that receives donations under section 170 of the  
25 Internal Revenue Code and whose members include Iowa  
26 food banks and their affiliates that together serve all  
27 counties in the state, to be used to purchase food for  
28 distribution to food-insecure Iowans:  
29 ..... \$ 850,000>  
30 3. By renumbering, redesignating, and correcting  
31 internal references as necessary.

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STAED of Linn



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
April 16, 2013

House File 634

H-1300

- 1 Amend House File 634 as follows:
- 2 1. Page 3, by striking lines 8 through 35.
- 3 2. By renumbering as necessary.

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BALTIMORE of Boone



Iowa General Assembly  
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Senate File 430

H-1301

1 Amend the amendment, H-1273, to Senate File 430,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 11, by striking lines 36 through 41 and  
5 inserting:  
6 <b. Of the moneys appropriated in paragraph "a" of  
7 this subsection, the department shall allocate at least  
8 \$1,130,602 for the operation of satellite field offices  
9 in Decorah, Fort Madison, Iowa City, and Webster City,  
10 and of the moneys appropriated in paragraph "a" of this  
11 subsection, the department shall allocate \$150,000  
12 to the state library for the purpose of licensing an  
13 online resource which prepares persons to succeed in  
14 the workplace through programs which improve job skills  
15 and vocational test-taking abilities.>  
16 2. Page 11, before line 42 by inserting:  
17 <4. FIELD OFFICE OPENING  
18 For the purpose of reopening satellite field  
19 offices in Ames, Atlantic, Denison, Keokuk, Newton, and  
20 Clinton and for not more than the following full-time  
21 equivalent positions:  
22 ..... \$ 3,060,000  
23 ..... FTEs 30.00>  
24 3. Page 11, line 42, by striking <4.> and inserting  
25 <5.>  
26 4. Page 12, line 4, by striking <5.> and inserting  
27 <6.>  
28 5. Page 23, by striking lines 38 through 43 and  
29 inserting:  
30 <b. Of the moneys appropriated in paragraph "a" of  
31 this subsection, the department shall allocate at least  
32 \$1,130,602 for the operation of satellite field offices  
33 in Decorah, Fort Madison, Iowa City, and Webster City,  
34 and of the moneys appropriated in paragraph "a" of this  
35 subsection, the department shall allocate \$150,000  
36 to the state library for the purpose of licensing an  
37 online resource which prepares persons to succeed in  
38 the workplace through programs which improve job skills  
39 and vocational test-taking abilities.>  
40 6. Page 23, before line 44 by inserting:  
41 <4. FIELD OFFICE OPENING  
42 For the purpose of reopening and maintaining  
43 satellite field offices in Ames, Atlantic, Denison,  
44 Keokuk, Newton, and Clinton and for not more than the  
45 following full-time equivalent positions:  
46 ..... \$ 2,601,000  
47 ..... FTEs 30.00>  
48 7. Page 23, line 44, by striking <4.> and inserting  
49 <5.>  
50 8. Page 24, line 6, by striking <5.> and inserting

H1273.1662 (3) 85

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ad/tm

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- 1 <6.>  
2 9. By renumbering as necessary.

\_\_\_\_\_  
WOLFE of Clinton

\_\_\_\_\_  
KELLEY of Jasper

\_\_\_\_\_  
HEDDENS of Story

\_\_\_\_\_  
WESSEL-KROESCHELL of Story

\_\_\_\_\_  
KEARNS of Lee

\_\_\_\_\_  
MUHLBAUER of Crawford



Iowa General Assembly  
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Senate File 430

H-1302

1 Amend the amendment, H-1273, to Senate File 430,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 12, after line 22 by inserting:  
5 <Sec. \_\_\_\_\_. GENERAL FUND — SKILLS TRAINING  
6 PROGRAM. There is appropriated from the general fund  
7 of the state to the department of workforce development  
8 for the fiscal year beginning July 1, 2013, and  
9 ending June 30, 2014, the following amount, or so much  
10 thereof as is necessary, to be used for the purposes  
11 designated:  
12 To develop a long-term sustained program to train  
13 unemployed and underemployed central Iowans with skills  
14 necessary to advance to higher-paying jobs with full  
15 benefits:  
16 ..... \$ 100,000>  
17 2. Page 24, after line 24 by inserting:  
18 <Sec. \_\_\_\_\_. GENERAL FUND — SKILLS TRAINING  
19 PROGRAM. There is appropriated from the general fund  
20 of the state to the department of workforce development  
21 for the fiscal year beginning July 1, 2014, and  
22 ending June 30, 2015, the following amount, or so much  
23 thereof as is necessary, to be used for the purposes  
24 designated:  
25 To develop a long-term sustained program to train  
26 unemployed and underemployed central Iowans with skills  
27 necessary to advance to higher-paying jobs with full  
28 benefits:  
29 ..... \$ 85,000>  
30 3. By renumbering, redesignating, and correcting  
31 internal references as necessary.

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HUNTER of Polk

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WESSEL-KROESCHELL of Story

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HEDDENS of Story

H1273.1669 (4) 85

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Iowa General Assembly  
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Senate Amendment to  
House File 495

H-1303

1 Amend House File 495, as amended, passed, and  
2 reprinted by the House, as follows:

3 1. By striking page 2, line 20, through page 3,  
4 line 23, and inserting:

5 <Sec. \_\_\_\_\_. Section 562A.29A, subsection 1,  
6 unnumbered paragraph 1, Code 2013, is amended to read  
7 as follows:

8 A written notice of termination required under  
9 section 562A.27, subsection 1, 2, or 5, a notice of  
10 termination and notice to quit required under section  
11 562A.27A, a landlord's written notice of termination to  
12 the tenant required under section 562A.34, subsection  
13 1, 2, or 3, or a notice to quit required by section  
14 648.3, shall be served upon the tenant by one or more  
15 of the following methods:>

16 2. Page 4, after line 30 by inserting:

17 <Sec. \_\_\_\_\_. Section 562B.27A, subsection 1,  
18 unnumbered paragraph 1, Code 2013, is amended to read  
19 as follows:

20 A landlord's written notice of termination to the  
21 tenant required under section 562B.10, subsection 4, a  
22 notice of termination required under section 562B.25,  
23 a notice of termination and notice to quit required  
24 under section 562B.25A, or a notice to quit required  
25 by section 648.3, shall be served upon the tenant  
26 according to one or more of the following methods:>

27 3. By renumbering as necessary.

HF495.1660.S (2) 85

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jh

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Senate Amendment to  
House File 566

H-1304

1 Amend House File 566, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 4, line 33, by striking <five> and  
4 inserting <two>

HF566.1654.S (1) 85

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Iowa General Assembly  
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House File 634

H-1305

- 1 Amend the amendment, H-1290, to House File 634 as
- 2 follows:
- 3 1. Page 1, after line 1 by inserting:
- 4 <\_\_\_\_. Page 3, by striking lines 8 through 35.>
- 5 2. By renumbering as necessary.

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WINDSCHITL of Harrison



Iowa General Assembly  
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Senate File 442

H-1306

1 Amend Senate File 442, as passed by the Senate, as  
2 follows:

3 1. By striking everything after the enacting clause  
4 and inserting:

5 <DIVISION I

6 FY 2013-2014

7 Section 1. JUDICIAL BRANCH.

8 1. There is appropriated from the general fund of  
9 the state to the judicial branch for the fiscal year  
10 beginning July 1, 2013, and ending June 30, 2014, the  
11 following amount, or so much thereof as is necessary,  
12 to be used for the purposes designated:

13 a. For salaries of supreme court justices,  
14 appellate court judges, district court judges,  
15 district associate judges, associate juvenile judges,  
16 associate probate judges, judicial magistrates and  
17 staff, state court administrator, clerk of the supreme  
18 court, district court administrators, clerks of the  
19 district court, juvenile court officers, board of law  
20 examiners and board of examiners of shorthand reporters  
21 and judicial qualifications commission; receipt and  
22 disbursement of child support payments; reimbursement  
23 of the auditor of state for expenses incurred in  
24 completing audits of the offices of the clerks of the  
25 district court during the fiscal year beginning July  
26 1, 2013; and maintenance, equipment, and miscellaneous  
27 purposes:

28 ..... \$164,599,367

29 b. For deposit in the revolving fund created  
30 pursuant to section 602.1302, subsection 3, for jury  
31 and witness fees, mileage, costs related to summoning  
32 jurors, fees for interpreters, and reimbursement of  
33 attorney fees paid by the state public defender:

34 ..... \$ 3,100,000

35 2. The judicial branch, except for purposes of  
36 internal processing, shall use the current state budget  
37 system, the state payroll system, and the Iowa finance  
38 and accounting system in administration of programs  
39 and payments for services, and shall not duplicate the  
40 state payroll, accounting, and budgeting systems.

41 3. The judicial branch shall submit monthly  
42 financial statements to the legislative services  
43 agency and the department of management containing  
44 all appropriated accounts in the same manner as  
45 provided in the monthly financial status reports and  
46 personal services usage reports of the department  
47 of administrative services. The monthly financial  
48 statements shall include a comparison of the dollars  
49 and percentage spent of budgeted versus actual revenues  
50 and expenditures on a cumulative basis for full-time

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1 equivalent positions and dollars.

2 4. The judicial branch shall focus efforts upon the  
3 collection of delinquent fines, penalties, court costs,  
4 fees, surcharges, or similar amounts.

5 5. The offices of the clerks of the district court  
6 shall operate in all 99 counties and be accessible to  
7 the public during regular business hours.

8 6. In addition to the requirements for transfers  
9 under section 8.39, the judicial branch shall not  
10 change the appropriations from the amounts appropriated  
11 to the judicial branch in this division of this Act,  
12 unless notice of the revisions is given prior to their  
13 effective date to the legislative services agency.  
14 The notice shall include information on the branch's  
15 rationale for making the changes and details concerning  
16 the workload and performance measures upon which the  
17 changes are based.

18 7. The judicial branch shall submit a semiannual  
19 update to the legislative services agency specifying  
20 the amounts of fines, surcharges, and court costs  
21 collected using the Iowa court information system since  
22 the last report. The judicial branch shall continue  
23 to facilitate the sharing of vital sentencing and  
24 other information with other state departments and  
25 governmental agencies involved in the criminal justice  
26 system through the Iowa court information system.

27 8. The judicial branch shall provide a report to  
28 the general assembly by January 1, 2014, concerning  
29 the amounts received and expended from the enhanced  
30 court collections fund created in section 602.1304 and  
31 the court technology and modernization fund created in  
32 section 602.8108, subsection 7, during the fiscal year  
33 beginning July 1, 2012, and ending June 30, 2013, and  
34 the plans for expenditures from each fund during the  
35 fiscal year beginning July 1, 2013, and ending June 30,  
36 2014. A copy of the report shall be provided to the  
37 legislative services agency.

38 Sec. 2. CIVIL TRIALS — LOCATION. Notwithstanding  
39 any provision to the contrary, for the fiscal year  
40 beginning July 1, 2013, and ending June 30, 2014, if  
41 all parties in a case agree, a civil trial including a  
42 jury trial may take place in a county contiguous to the  
43 county with proper jurisdiction, even if the contiguous  
44 county is located in an adjacent judicial district or  
45 judicial election district. If the trial is moved  
46 pursuant to this section, court personnel shall treat  
47 the case as if a change of venue occurred. However,  
48 if a trial is moved to an adjacent judicial district  
49 or judicial election district, the judicial officers  
50 serving in the judicial district or judicial election

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1 district receiving the case shall preside over the  
2 case.

3 Sec. 3. TRAVEL REIMBURSEMENT. Notwithstanding  
4 section 602.1509, for the fiscal year beginning July 1,  
5 2013, a judicial officer may waive travel reimbursement  
6 for any travel outside the judicial officer's county of  
7 residence to conduct official judicial business.

8 Sec. 4. POSTING OF REPORTS IN ELECTRONIC FORMAT —  
9 LEGISLATIVE SERVICES AGENCY. All reports or copies of  
10 reports required to be provided by the judicial branch  
11 for fiscal year 2013-2014 to the legislative services  
12 agency shall be provided in an electronic format. The  
13 legislative services agency shall post the reports on  
14 its internet website and shall notify by electronic  
15 means all the members of the joint appropriations  
16 subcommittee on the justice system when a report  
17 is posted. Upon request, copies of the reports may  
18 be mailed to members of the joint appropriations  
19 subcommittee on the justice system.

20 Sec. 5. JUDICIAL OFFICER — UNPAID  
21 LEAVE. Notwithstanding the annual salary rates  
22 for judicial officers established by 2008 Iowa Acts,  
23 chapter 1191, section 11, for the fiscal year beginning  
24 July 1, 2013, and ending June 30, 2014, the supreme  
25 court may by order place all judicial officers on  
26 unpaid leave status on any day employees of the  
27 judicial branch are placed on temporary layoff status.  
28 The biweekly pay of the judicial officers shall be  
29 reduced accordingly for the pay period in which the  
30 unpaid leave date occurred in the same manner as for  
31 noncontract employees of the judicial branch. Through  
32 the course of the fiscal year, the judicial branch may  
33 use an amount equal to the aggregate amount of salary  
34 reductions due to the judicial officer unpaid leave  
35 days for any purpose other than for judicial salaries.

36 Sec. 6. IOWA COMMUNICATIONS NETWORK. It is the  
37 intent of the general assembly that the judicial branch  
38 utilize the Iowa communications network or other secure  
39 electronic communications in lieu of traveling for the  
40 fiscal year beginning July 1, 2013.

41 DIVISION II  
42 FY 2014-2015

43 Sec. 7. JUDICIAL BRANCH.

44 1. There is appropriated from the general fund of  
45 the state to the judicial branch for the fiscal year  
46 beginning July 1, 2014, and ending June 30, 2015, the  
47 following amount, or so much thereof as is necessary,  
48 to be used for the purposes designated:

49 a. For salaries of supreme court justices,  
50 appellate court judges, district court judges,

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1 district associate judges, associate juvenile judges,  
2 associate probate judges, judicial magistrates and  
3 staff, state court administrator, clerk of the supreme  
4 court, district court administrators, clerks of the  
5 district court, juvenile court officers, board of law  
6 examiners and board of examiners of shorthand reporters  
7 and judicial qualifications commission; receipt and  
8 disbursement of child support payments; reimbursement  
9 of the auditor of state for expenses incurred in  
10 completing audits of the offices of the clerks of the  
11 district court during the fiscal year beginning July  
12 1, 2014; and maintenance, equipment, and miscellaneous  
13 purposes:  
14 ..... \$139,909,462  
15     b. For deposit in the revolving fund created  
16 pursuant to section 602.1302, subsection 3, for jury  
17 and witness fees, mileage, costs related to summoning  
18 jurors, fees for interpreters, and reimbursement of  
19 attorney fees paid by the state public defender:  
20 ..... \$ 2,635,000  
21     2. The judicial branch, except for purposes of  
22 internal processing, shall use the current state budget  
23 system, the state payroll system, and the Iowa finance  
24 and accounting system in administration of programs  
25 and payments for services, and shall not duplicate the  
26 state payroll, accounting, and budgeting systems.  
27     3. The judicial branch shall submit monthly  
28 financial statements to the legislative services  
29 agency and the department of management containing  
30 all appropriated accounts in the same manner as  
31 provided in the monthly financial status reports and  
32 personal services usage reports of the department  
33 of administrative services. The monthly financial  
34 statements shall include a comparison of the dollars  
35 and percentage spent of budgeted versus actual revenues  
36 and expenditures on a cumulative basis for full-time  
37 equivalent positions and dollars.  
38     4. The judicial branch shall focus efforts upon the  
39 collection of delinquent fines, penalties, court costs,  
40 fees, surcharges, or similar amounts.  
41     5. The offices of the clerks of the district court  
42 shall operate in all 99 counties and be accessible to  
43 the public during regular business hours.  
44     6. In addition to the requirements for transfers  
45 under section 8.39, the judicial branch shall not  
46 change the appropriations from the amounts appropriated  
47 to the judicial branch in this division of this Act,  
48 unless notice of the revisions is given prior to their  
49 effective date to the legislative services agency.  
50 The notice shall include information on the branch's

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1 rationale for making the changes and details concerning  
2 the workload and performance measures upon which the  
3 changes are based.

4 7. The judicial branch shall submit a semiannual  
5 update to the legislative services agency specifying  
6 the amounts of fines, surcharges, and court costs  
7 collected using the Iowa court information system since  
8 the last report. The judicial branch shall continue  
9 to facilitate the sharing of vital sentencing and  
10 other information with other state departments and  
11 governmental agencies involved in the criminal justice  
12 system through the Iowa court information system.

13 8. The judicial branch shall provide a report to  
14 the general assembly by January 1, 2015, concerning  
15 the amounts received and expended from the enhanced  
16 court collections fund created in section 602.1304 and  
17 the court technology and modernization fund created in  
18 section 602.8108, subsection 7, during the fiscal year  
19 beginning July 1, 2013, and ending June 30, 2014, and  
20 the plans for expenditures from each fund during the  
21 fiscal year beginning July 1, 2014, and ending June 30,  
22 2015. A copy of the report shall be provided to the  
23 legislative services agency.

24 Sec. 8. CIVIL TRIALS — LOCATION. Notwithstanding  
25 any provision to the contrary, for the fiscal year  
26 beginning July 1, 2014, and ending June 30, 2015, if  
27 all parties in a case agree, a civil trial including a  
28 jury trial may take place in a county contiguous to the  
29 county with proper jurisdiction, even if the contiguous  
30 county is located in an adjacent judicial district or  
31 judicial election district. If the trial is moved  
32 pursuant to this section, court personnel shall treat  
33 the case as if a change of venue occurred. However,  
34 if a trial is moved to an adjacent judicial district  
35 or judicial election district, the judicial officers  
36 serving in the judicial district or judicial election  
37 district receiving the case shall preside over the  
38 case.

39 Sec. 9. TRAVEL REIMBURSEMENT. Notwithstanding  
40 section 602.1509, for the fiscal year beginning July 1,  
41 2014, a judicial officer may waive travel reimbursement  
42 for any travel outside the judicial officer's county of  
43 residence to conduct official judicial business.

44 Sec. 10. POSTING OF REPORTS IN ELECTRONIC FORMAT —  
45 LEGISLATIVE SERVICES AGENCY. All reports or copies of  
46 reports required to be provided by the judicial branch  
47 for fiscal year 2014-2015 to the legislative services  
48 agency shall be provided in an electronic format. The  
49 legislative services agency shall post the reports on  
50 its internet website and shall notify by electronic

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1 means all the members of the joint appropriations  
2 subcommittee on the justice system when a report  
3 is posted. Upon request, copies of the reports may  
4 be mailed to members of the joint appropriations  
5 subcommittee on the justice system.  
6 Sec. 11. JUDICIAL OFFICER — UNPAID  
7 LEAVE. Notwithstanding the annual salary rates  
8 for judicial officers established by 2008 Iowa Acts,  
9 chapter 1191, section 11, for the fiscal year beginning  
10 July 1, 2014, and ending June 30, 2015, the supreme  
11 court may by order place all judicial officers on  
12 unpaid leave status on any day employees of the  
13 judicial branch are placed on temporary layoff status.  
14 The biweekly pay of the judicial officers shall be  
15 reduced accordingly for the pay period in which the  
16 unpaid leave date occurred in the same manner as for  
17 noncontract employees of the judicial branch. Through  
18 the course of the fiscal year, the judicial branch may  
19 use an amount equal to the aggregate amount of salary  
20 reductions due to the judicial officer unpaid leave  
21 days for any purpose other than for judicial salaries.  
22 Sec. 12. IOWA COMMUNICATIONS NETWORK. It is the  
23 intent of the general assembly that the judicial branch  
24 utilize the Iowa communications network or other secure  
25 electronic communications in lieu of traveling for the  
26 fiscal year beginning July 1, 2014.>

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COMMITTEE ON APPROPRIATIONS  
SODERBERG of Plymouth, Chairperson

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Iowa General Assembly  
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House File 609

H-1307

1 Amend House File 609 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <Section 1. Section 331.512, Code 2013, is amended  
5 by adding the following new subsection:

6 NEW SUBSECTION. 4A. Carry out duties relating to  
7 the business property tax credit as provided in chapter  
8 426C.

9 Sec. 2. Section 331.559, Code 2013, is amended by  
10 adding the following new subsection:

11 NEW SUBSECTION. 14A. Carry out duties relating to  
12 the business property tax credit as provided in chapter  
13 426C.

14 Sec. 3. NEW SECTION. 426C.1 Definitions.

15 For the purposes of this chapter, unless the context  
16 otherwise requires:

17 1. "*Contiguous parcels*" means any of the following:

18 a. Parcels that share a common boundary.

19 b. Parcels within the same building or structure  
20 regardless of whether the parcels share a common  
21 boundary.

22 c. Permanent improvements to the land that are  
23 situated on one or more parcels of land that are  
24 assessed and taxed separately from the permanent  
25 improvements if the parcels of land upon which the  
26 permanent improvements are situated share a common  
27 boundary.

28 2. "*Department*" means the department of revenue.

29 3. "*Fund*" means the business property tax credit  
30 fund created in section 426C.2.

31 4. "*Parcel*" means as defined in section 445.1.

32 5. "*Property unit*" means contiguous parcels all  
33 of which are located within the same county, with the  
34 same property tax classification, are owned by the same  
35 person, and are operated by that person for a common  
36 use and purpose.

37 Sec. 4. NEW SECTION. 426C.2 Business property tax  
38 credit fund — appropriation.

39 1. A business property tax credit fund is created  
40 in the state treasury under the authority of the  
41 department. For the fiscal year beginning July 1,  
42 2014, there is appropriated from the general fund of  
43 the state to the department to be credited to the  
44 fund, the sum of fifty million dollars to be used  
45 for business property tax credits authorized in this  
46 chapter. For the fiscal year beginning July 1, 2015,  
47 and each fiscal year thereafter, there is appropriated  
48 from the general fund of the state to the department  
49 to be credited to the fund an amount equal to the  
50 total amount appropriated by the general assembly to

HF609.1677 (1) 85

(amending this HF

609 to CONFORM to

SF 295)

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1 the fund, as calculated in this subsection, in the  
2 previous fiscal year. In addition, the sum of fifty  
3 million dollars shall be added to the appropriation in  
4 each fiscal year beginning on or after July 1, 2015,  
5 if the revenue estimating conference certifies during  
6 its final meeting of the calendar year ending prior to  
7 the beginning of the fiscal year that the total amount  
8 of general fund revenues collected during the fiscal  
9 year ending during such calendar year was at least one  
10 hundred four percent of the total amount of general  
11 fund revenues collected during the previous fiscal  
12 year. However, the total appropriation to the fund  
13 shall not exceed two hundred fifty million dollars for  
14 any one fiscal year.

15 2. Notwithstanding section 12C.7, subsection 2,  
16 interest or earnings on moneys deposited in the fund  
17 shall be credited to the fund. Moneys in the fund are  
18 not subject to the provisions of section 8.33 and shall  
19 not be transferred, used, obligated, appropriated,  
20 or otherwise encumbered except as provided in this  
21 chapter.

22 Sec. 5. NEW SECTION. 426C.3 Claims for credit.

23 1. Each person who wishes to claim the credit  
24 allowed under this chapter shall obtain the appropriate  
25 forms from the assessor and file the claim with the  
26 assessor. The director of revenue shall prescribe  
27 suitable forms and instructions for such claims, and  
28 make such forms and instructions available to the  
29 assessors.

30 2. a. Claims for the business property tax credit  
31 shall be filed not later than March 15 preceding the  
32 fiscal year during which the taxes for which the credit  
33 is claimed are due and payable.

34 b. A claim for credit filed after the deadline for  
35 filing claims shall be considered as a claim for the  
36 following year.

37 3. Upon the filing of a claim and allowance of the  
38 credit, the credit shall be allowed on the parcel or  
39 property unit for successive years without further  
40 filing as long as the parcel or property unit satisfies  
41 the requirements for the credit. If the parcel or  
42 property unit ceases to qualify for the credit under  
43 this chapter, the owner shall provide written notice to  
44 the assessor by the date for filing claims specified in  
45 subsection 2 following the date on which the parcel or  
46 property unit ceases to qualify for the credit.

47 4. The assessor shall remit the claims for  
48 credit to the county auditor with the assessor's  
49 recommendation for allowance or disallowance. If  
50 the assessor recommends disallowance of a claim,

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1 the assessor shall submit the reasons for the  
2 recommendation, in writing, to the county auditor.  
3 The county auditor shall forward the claims and  
4 recommendations to the board of supervisors. The board  
5 shall allow or disallow the claims.

6 5. For each claim and allowance of a credit for  
7 a property unit, the county auditor shall calculate  
8 the average of all consolidated levy rates applicable  
9 to the several parcels within the property unit. All  
10 claims for credit which have been allowed by the board  
11 of supervisors, the actual value of such parcels and  
12 property units applicable to the fiscal year for which  
13 the credit is claimed that are subject to assessment  
14 and taxation prior to imposition of any applicable  
15 assessment limitation, the consolidated levy rates  
16 for such parcels and the average consolidated levy  
17 rates for such property units applicable to the fiscal  
18 year for which the credit is claimed, and the taxing  
19 districts in which the parcel or property unit is  
20 located, shall be certified on or before June 30, in  
21 each year, by the county auditor to the department.

22 6. The assessor shall maintain a permanent file of  
23 current business property tax credits. The assessor  
24 shall file a notice of transfer of property for which a  
25 credit has been allowed when notice is received from  
26 the office of the county recorder, from the person  
27 who sold or transferred the property, or from the  
28 personal representative of a deceased property owner.  
29 The county recorder shall give notice to the assessor  
30 of each transfer of title filed in the recorder's  
31 office. The notice from the county recorder shall  
32 describe the property transferred, the name of the  
33 person transferring title to the property, and the name  
34 of the person to whom title to the property has been  
35 transferred.

36 7. When all or a portion of a parcel or property  
37 unit that is allowed a credit under this chapter is  
38 sold, transferred, or ownership otherwise changes, the  
39 buyer, transferee, or new owner who wishes to receive  
40 the credit shall refile the claim for credit. In  
41 addition, when a portion of a parcel or property unit  
42 that is allowed a credit under this chapter is sold,  
43 transferred, or ownership otherwise changes, the owner  
44 of the portion of the parcel or property unit for which  
45 ownership did not change shall refile the claim for  
46 credit.

47 Sec. 6. NEW SECTION. 426C.4 Eligibility and amount  
48 of credit.

49 1. Each parcel classified and taxed as commercial  
50 property, industrial property, or railway property

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1 under chapter 434 is eligible for a credit under this  
2 chapter. A person may claim and receive one credit  
3 under this chapter for each eligible parcel unless the  
4 parcel is part of a property unit for which a credit  
5 is claimed. A person may claim and receive one credit  
6 under this chapter for each property unit. A credit  
7 approved for a property unit shall be allocated to  
8 the several parcels within the property unit in the  
9 proportion that each parcel's total amount of property  
10 taxes due and payable bears to the total amount of  
11 property taxes due and payable on the property unit.  
12 Only property units comprised of property assessed as  
13 commercial property, industrial property, or railway  
14 property under chapter 434 are eligible for a credit  
15 under this chapter. However, property that is rented  
16 or leased to low-income individuals and families  
17 as authorized by section 42 of the Internal Revenue  
18 Code, as amended, and that is subject to assessment  
19 procedures relating to section 42 property under  
20 section 441.21, subsection 2, for the applicable  
21 assessment year, shall not be eligible to receive a  
22 credit under this chapter or be part of a property unit  
23 that receives a credit under this chapter.

24 2. Using the actual value of each parcel or  
25 property unit and the consolidated levy rate for each  
26 parcel or the average consolidated levy rate for each  
27 property unit, as certified by the county auditor  
28 to the department under section 426C.3, subsection  
29 5, the department shall calculate, for each fiscal  
30 year, an initial amount of actual value for use in  
31 determining the amount of the credit for each such  
32 parcel or property unit so as to provide the maximum  
33 possible credit according to the credit formula and  
34 limitations under subsection 3, and to provide a  
35 total dollar amount of credits against the taxes due  
36 and payable in the fiscal year equal to ninety-eight  
37 percent of the moneys in the fund following the deposit  
38 of the appropriation for the fiscal year and including  
39 interest or earnings credited to the fund.

40 3. a. The amount of the credit for each parcel or  
41 property unit for which a claim for credit under this  
42 chapter has been approved shall be calculated under  
43 paragraph "b" using the lesser of the initial amount  
44 of actual value determined by the department under  
45 subsection 2, and the amount of actual value of the  
46 parcel or property unit certified by the county auditor  
47 under section 426C.3, subsection 5.

48 b. The amount of the credit for each parcel or  
49 property unit for which a claim for credit under  
50 this chapter has been approved shall be equal to

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1 the product of the amount of actual value determined  
2 under paragraph "a" times the difference, stated  
3 as a percentage, between the assessment limitation  
4 percentage applicable to the parcel or property unit  
5 under section 441.21, subsection 5, and the assessment  
6 limitation percentage applicable to residential  
7 property under section 441.21, subsection 4, divided  
8 by one thousand dollars, and then multiplied by  
9 the consolidated levy rate or average consolidated  
10 levy rate per one thousand dollars of taxable value  
11 applicable to the parcel or property unit for the  
12 fiscal year for which the credit is claimed as  
13 certified by the county auditor under section 426C.3,  
14 subsection 5.

15 **Sec. 7. NEW SECTION. 426C.5 Payment to counties.**

16 1. Annually the department shall certify to the  
17 county auditor of each county the amounts of the  
18 business property tax credits allowed in the county.  
19 Each county auditor shall then enter the credits  
20 against the tax levied on each eligible parcel or  
21 property unit in the county, designating on the tax  
22 lists the credit as being paid from the fund. Each  
23 taxing district shall receive its share of the business  
24 property tax credit allowed on each eligible parcel or  
25 property unit in such taxing district in the proportion  
26 that the levy made by such taxing district upon the  
27 parcel or property unit bears to the total levy upon  
28 the parcel or property unit by all taxing districts.  
29 However, the several taxing districts shall not draw  
30 the moneys so credited until after the semiannual  
31 allocations have been received by the county treasurer,  
32 as provided in this section. Each county treasurer  
33 shall show on each taxpayer receipt the amount of  
34 credit received from the fund.

35 2. The director of revenue shall authorize the  
36 department of administrative services to draw warrants  
37 on the fund payable to the county treasurers of the  
38 several counties of the state in the amounts certified  
39 by the department.

40 3. The amount due each county shall be paid in two  
41 payments on November 15 and March 15 of each fiscal  
42 year, drawn upon warrants payable to the respective  
43 county treasurers. The two payments shall be as nearly  
44 equal as possible.

45 **Sec. 8. NEW SECTION. 426C.6 Appeals.**

46 1. If the board of supervisors disallows a claim  
47 for credit under section 426C.3, subsection 4, the  
48 board of supervisors shall send written notice, by  
49 mail, to the claimant at the claimant's last known  
50 address. The notice shall state the reasons for

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1 disallowing the claim for the credit. The board of  
2 supervisors is not required to send notice that a claim  
3 for credit is disallowed if the claimant voluntarily  
4 withdraws the claim. Any person whose claim is  
5 disallowed under the provisions of this chapter may  
6 appeal from the action of the board of supervisors to  
7 the district court of the county in which the parcel or  
8 property unit is located by giving written notice of  
9 such appeal to the county auditor within twenty days  
10 from the date of mailing of notice of such action by  
11 the board of supervisors.

12 2. If a claim for credit is disallowed by the  
13 board of supervisors, and such action is subsequently  
14 reversed on appeal, the credit shall be allowed on the  
15 applicable parcel or property unit, and the director of  
16 revenue, the county auditor, and the county treasurer  
17 shall provide the credit and change their books and  
18 records accordingly. In the event the claimant has  
19 paid one or both of the installments of the tax payable  
20 in the year or years in question, remittance shall be  
21 made to the claimant of the amount of such credit.  
22 The amount of such credit awarded on appeal shall be  
23 allocated and paid from the balance remaining in the  
24 fund.

25 Sec. 9. NEW SECTION. 426C.7 Audit — recalculation  
26 or denial.

27 1. If on the audit of a credit provided under this  
28 chapter, the director of revenue determines the amount  
29 of the credit to have been incorrectly calculated or  
30 that the credit is not allowable, the director shall  
31 recalculate the credit and notify the claimant and the  
32 county auditor of the recalculation or denial and the  
33 reasons for it. The director shall not adjust a credit  
34 after three years from October 31 of the year in which  
35 the claim for the credit was filed. If the credit has  
36 been paid, the director shall give notification to the  
37 claimant, the county treasurer, and the applicable  
38 assessor of the recalculation or denial of the credit  
39 and the county treasurer shall proceed to collect the  
40 tax owed in the same manner as other property taxes due  
41 and payable are collected, if the parcel or property  
42 unit for which the credit was allowed is still owned  
43 by the claimant. If the parcel or property unit  
44 for which the credit was allowed is not owned by the  
45 claimant, the amount may be recovered from the claimant  
46 by assessment in the same manner that income taxes are  
47 assessed under sections 422.26 and 422.30. The amount  
48 of such erroneous credit, when collected, shall be  
49 deposited in the fund.

50 2. The claimant or board of supervisors may

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1 appeal any decision of the director of revenue to the  
2 state board of tax review pursuant to section 421.1,  
3 subsection 5. The claimant, the board of supervisors,  
4 or the director of revenue may seek judicial review  
5 of the action of the state board of tax review in  
6 accordance with chapter 17A.

7 Sec. 10. NEW SECTION. **426C.8 False claim —**  
8 **penalty.**

9 A person who makes a false claim for the purpose of  
10 obtaining a credit provided for in this chapter or who  
11 knowingly receives the credit without being legally  
12 entitled to it is guilty of a fraudulent practice. The  
13 claim for a credit of such a person shall be disallowed  
14 and if the credit has been paid the amount shall be  
15 recovered in the manner provided in section 426C.7. In  
16 such cases, the director of revenue shall send a notice  
17 of disallowance of the credit.

18 Sec. 11. NEW SECTION. **426C.9 Rules.**

19 The director of revenue shall prescribe forms,  
20 instructions, and rules as necessary, pursuant to  
21 chapter 17A, to carry out and effectuate the purposes  
22 of this chapter.

23 Sec. 12. IMPLEMENTATION. Notwithstanding the  
24 deadline for filing claims established in section  
25 426C.3, for a credit against property taxes due and  
26 payable during the fiscal year beginning July 1, 2014,  
27 the claim for the credit shall be filed not later than  
28 January 15, 2014.

29 Sec. 13. APPLICABILITY. This Act applies to  
30 property taxes due and payable in fiscal years  
31 beginning on or after July 1, 2014.>

32 2. Title page, by striking lines 1 through 6 and  
33 inserting <An Act establishing a property tax credit  
34 for commercial, industrial, and railway property,  
35 providing penalties, making appropriations, and  
36 including implementation and applicability provisions.>

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Senate File 295

H-1308

1 Amend Senate File 295, as passed by the Senate, as  
2 follows:

3 1. By striking everything after the enacting clause  
4 and inserting:

5 <DIVISION I

6 PROPERTY ASSESSMENT LIMITATION AND REPLACEMENT

7 Section 1. Section 257.3, subsection 1, Code 2013,  
8 is amended by adding the following new paragraph:

9 NEW PARAGRAPH. d. The amount paid to each school  
10 district for the commercial and industrial property  
11 tax replacement claim under section 441.21A shall be  
12 regarded as property tax. The portion of the payment  
13 which is foundation property tax shall be determined by  
14 applying the foundation property tax rate to the amount  
15 computed under section 441.21A, subsection 4, paragraph  
16 "a", and such amount shall be prorated pursuant to  
17 section 441.21A, subsection 2, if applicable.

18 Sec. 2. Section 331.512, Code 2013, is amended by  
19 adding the following new subsection:

20 NEW SUBSECTION. 13A. Carry out duties relating  
21 to the calculation and payment of commercial and  
22 industrial property tax replacement claims under  
23 section 441.21A.

24 Sec. 3. Section 331.559, Code 2013, is amended by  
25 adding the following new subsection:

26 NEW SUBSECTION. 25A. Carry out duties relating  
27 to the calculation and payment of commercial and  
28 industrial property tax replacement claims under  
29 section 441.21A.

30 Sec. 4. Section 441.21, subsection 4, Code 2013, is  
31 amended to read as follows:

32 4. For valuations established as of January  
33 1, 1979, the percentage of actual value at which  
34 agricultural and residential property shall be assessed  
35 shall be the quotient of the dividend and divisor as  
36 defined in this section. The dividend for each class  
37 of property shall be the dividend as determined for  
38 each class of property for valuations established as  
39 of January 1, 1978, adjusted by the product obtained  
40 by multiplying the percentage determined for that year  
41 by the amount of any additions or deletions to actual  
42 value, excluding those resulting from the revaluation  
43 of existing properties, as reported by the assessors  
44 on the abstracts of assessment for 1978, plus six  
45 percent of the amount so determined. However, if the  
46 difference between the dividend so determined for  
47 either class of property and the dividend for that  
48 class of property for valuations established as of  
49 January 1, 1978, adjusted by the product obtained by  
50 multiplying the percentage determined for that year

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1 by the amount of any additions or deletions to actual  
2 value, excluding those resulting from the revaluation  
3 of existing properties, as reported by the assessors  
4 on the abstracts of assessment for 1978, is less than  
5 six percent, the 1979 dividend for the other class of  
6 property shall be the dividend as determined for that  
7 class of property for valuations established as of  
8 January 1, 1978, adjusted by the product obtained by  
9 multiplying the percentage determined for that year  
10 by the amount of any additions or deletions to actual  
11 value, excluding those resulting from the revaluation  
12 of existing properties, as reported by the assessors on  
13 the abstracts of assessment for 1978, plus a percentage  
14 of the amount so determined which is equal to the  
15 percentage by which the dividend as determined for the  
16 other class of property for valuations established as  
17 of January 1, 1978, adjusted by the product obtained  
18 by multiplying the percentage determined for that year  
19 by the amount of any additions or deletions to actual  
20 value, excluding those resulting from the revaluation  
21 of existing properties, as reported by the assessors  
22 on the abstracts of assessment for 1978, is increased  
23 in arriving at the 1979 dividend for the other class  
24 of property. The divisor for each class of property  
25 shall be the total actual value of all such property  
26 in the state in the preceding year, as reported by the  
27 assessors on the abstracts of assessment submitted  
28 for 1978, plus the amount of value added to said  
29 total actual value by the revaluation of existing  
30 properties in 1979 as equalized by the director of  
31 revenue pursuant to section 441.49. The director shall  
32 utilize information reported on abstracts of assessment  
33 submitted pursuant to section 441.45 in determining  
34 such percentage. For valuations established as of  
35 January 1, 1980, and each assessment year thereafter  
36 beginning before January 1, 2013, the percentage of  
37 actual value as equalized by the director of revenue  
38 as provided in section 441.49 at which agricultural  
39 and residential property shall be assessed shall be  
40 calculated in accordance with the methods provided  
41 herein including the limitation of increases in  
42 agricultural and residential assessed values to the  
43 percentage increase of the other class of property if  
44 the other class increases less than the allowable limit  
45 adjusted to include the applicable and current values  
46 as equalized by the director of revenue, except that  
47 any references to six percent in this subsection shall  
48 be four percent. For valuations established as of  
49 January 1, 2013, and each assessment year thereafter,  
50 the percentage of actual value as equalized by the

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1 director of revenue as provided in section 441.49 at  
2 which agricultural and residential property shall be  
3 assessed shall be calculated in accordance with the  
4 methods provided in this subsection, except that any  
5 references to six percent in this subsection shall  
6 be two percent, and including, for assessment years  
7 beginning on or after January 1, 2013, but before  
8 January 1, 2017, the limitation of increases in  
9 agricultural and residential assessed values to the  
10 percentage increase of the other class of property if  
11 the other class increases less than the allowable limit  
12 adjusted to include the applicable and current values  
13 as equalized by the director of revenue, and including,  
14 for assessment years beginning on or after January 1,  
15 2017, the limitation in subsection 5A.

16 Sec. 5. Section 441.21, subsection 5, Code 2013, is  
17 amended to read as follows:

18 5. *a.* For valuations established as of January  
19 1, 1979, commercial property and industrial property,  
20 excluding properties referred to in section 427A.1,  
21 subsection 8, shall be assessed as a percentage of  
22 the actual value of each class of property. The  
23 percentage shall be determined for each class of  
24 property by the director of revenue for the state in  
25 accordance with the provisions of this section. For  
26 valuations established as of January 1, 1979, the  
27 percentage shall be the quotient of the dividend and  
28 divisor as defined in this section. The dividend  
29 for each class of property shall be the total actual  
30 valuation for each class of property established for  
31 1978, plus six percent of the amount so determined.  
32 The divisor for each class of property shall be the  
33 valuation for each class of property established for  
34 1978, as reported by the assessors on the abstracts of  
35 assessment for 1978, plus the amount of value added to  
36 the total actual value by the revaluation of existing  
37 properties in 1979 as equalized by the director of  
38 revenue pursuant to section 441.49. For valuations  
39 established as of January 1, 1979, property valued by  
40 the department of revenue pursuant to chapters 428,  
41 433, 437, and 438 shall be considered as one class  
42 of property and shall be assessed as a percentage of  
43 its actual value. The percentage shall be determined  
44 by the director of revenue in accordance with the  
45 provisions of this section. For valuations established  
46 as of January 1, 1979, the percentage shall be the  
47 quotient of the dividend and divisor as defined in  
48 this section. The dividend shall be the total actual  
49 valuation established for 1978 by the department of  
50 revenue, plus ten percent of the amount so determined.

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1 The divisor for property valued by the department of  
2 revenue pursuant to chapters 428, 433, 437, and 438  
3 shall be the valuation established for 1978, plus  
4 the amount of value added to the total actual value  
5 by the revaluation of the property by the department  
6 of revenue as of January 1, 1979. For valuations  
7 established as of January 1, 1980, commercial property  
8 and industrial property, excluding properties referred  
9 to in section 427A.1, subsection 8, shall be assessed  
10 at a percentage of the actual value of each class of  
11 property. The percentage shall be determined for  
12 each class of property by the director of revenue for  
13 the state in accordance with the provisions of this  
14 section. For valuations established as of January  
15 1, 1980, the percentage shall be the quotient of  
16 the dividend and divisor as defined in this section.  
17 The dividend for each class of property shall be the  
18 dividend as determined for each class of property for  
19 valuations established as of January 1, 1979, adjusted  
20 by the product obtained by multiplying the percentage  
21 determined for that year by the amount of any  
22 additions or deletions to actual value, excluding those  
23 resulting from the revaluation of existing properties,  
24 as reported by the assessors on the abstracts of  
25 assessment for 1979, plus four percent of the amount  
26 so determined. The divisor for each class of property  
27 shall be the total actual value of all such property in  
28 1979, as equalized by the director of revenue pursuant  
29 to section 441.49, plus the amount of value added to  
30 the total actual value by the revaluation of existing  
31 properties in 1980. The director shall utilize  
32 information reported on the abstracts of assessment  
33 submitted pursuant to section 441.45 in determining  
34 such percentage. For valuations established as of  
35 January 1, 1980, property valued by the department  
36 of revenue pursuant to chapters 428, 433, 437, and  
37 438 shall be assessed at a percentage of its actual  
38 value. The percentage shall be determined by the  
39 director of revenue in accordance with the provisions  
40 of this section. For valuations established as of  
41 January 1, 1980, the percentage shall be the quotient  
42 of the dividend and divisor as defined in this section.  
43 The dividend shall be the total actual valuation  
44 established for 1979 by the department of revenue,  
45 plus eight percent of the amount so determined. The  
46 divisor for property valued by the department of  
47 revenue pursuant to chapters 428, 433, 437, and 438  
48 shall be the valuation established for 1979, plus  
49 the amount of value added to the total actual value  
50 by the revaluation of the property by the department

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1 of revenue as of January 1, 1980. For valuations  
2 established as of January 1, 1981, and each assessment  
3 year thereafter beginning before January 1, 2013, the  
4 percentage of actual value as equalized by the director  
5 of revenue as provided in section 441.49 at which  
6 commercial property and industrial property, excluding  
7 properties referred to in section 427A.1, subsection  
8 8, shall be assessed shall be calculated in accordance  
9 with the methods provided herein, except that any  
10 references to six percent in this subsection shall be  
11 four percent. For valuations established as of January  
12 1, 1981, and each year thereafter, the percentage of  
13 actual value at which property valued by the department  
14 of revenue pursuant to chapters 428, 433, 437, and 438  
15 shall be assessed shall be calculated in accordance  
16 with the methods provided herein, except that any  
17 references to ten percent in this subsection shall be  
18 eight percent. Beginning with valuations established  
19 as of January 1, 1979, and each assessment year  
20 thereafter beginning before January 1, 2013, property  
21 valued by the department of revenue pursuant to chapter  
22 434 shall also be assessed at a percentage of its  
23 actual value which percentage shall be equal to the  
24 percentage determined by the director of revenue for  
25 commercial property, industrial property, or property  
26 valued by the department of revenue pursuant to  
27 chapters 428, 433, 437, and 438, whichever is lowest.  
28 For valuations established on or after January 1, 2013,  
29 but before January 1, 2017, commercial property and  
30 industrial property shall be assessed as provided in  
31 paragraphs "b" and "c", as applicable. For valuations  
32 established as of January 1, 2017, and each assessment  
33 year thereafter, the percentage of actual value as  
34 equalized by the director of revenue as provided in  
35 section 441.49 at which commercial property, excluding  
36 properties referred to in section 427A.1, subsection  
37 8, shall be assessed shall be calculated in accordance  
38 with the methods provided in this subsection, including  
39 the limitation in subsection 5A, except that any  
40 references to six percent in this subsection shall be  
41 two percent. For valuations established on or after  
42 January 1, 2017, industrial property shall be assessed  
43 at a percentage of its actual value equal to the  
44 percentage of actual value at which property assessed  
45 as commercial property is assessed for the same  
46 assessment year following application of the limitation  
47 in subsection 5A, if applicable. For valuations  
48 established on or after January 1, 2013, property  
49 valued by the department of revenue pursuant to chapter  
50 434 shall be assessed at a percentage of its actual

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1 value equal to the percentage of actual value at which  
2 property assessed as commercial property is assessed  
3 for the same assessment year following application of  
4 the limitation in subsection 5A, if applicable.  
5 b. For valuations established on or after January  
6 1, 2013, but before January 1, 2017, commercial  
7 property, excluding properties referred to in section  
8 427A.1, subsection 8, shall be assessed at a percentage  
9 of its actual value, as determined in this paragraph  
10 "b". For valuations established for the assessment  
11 year beginning January 1, 2013, the percentage of  
12 actual value as equalized by the director of revenue  
13 as provided in section 441.49 at which commercial  
14 property shall be assessed shall be ninety-five  
15 percent. For valuations established for the assessment  
16 year beginning January 1, 2014, the percentage of  
17 actual value as equalized by the director of revenue  
18 as provided in section 441.49 at which commercial  
19 property shall be assessed shall be ninety percent.  
20 For valuations established for the assessment year  
21 beginning January 1, 2015, the percentage of actual  
22 value as equalized by the director of revenue as  
23 provided in section 441.49 at which commercial property  
24 shall be assessed shall be eighty-five percent.  
25 For valuations established for the assessment year  
26 beginning January 1, 2016, the percentage of actual  
27 value as equalized by the director of revenue as  
28 provided in section 441.49 at which commercial property  
29 shall be assessed shall be eighty percent.  
30 c. For valuations established on or after January  
31 1, 2013, but before January 1, 2017, industrial  
32 property, excluding properties referred to in section  
33 427A.1, subsection 8, shall be assessed at a percentage  
34 of its actual value, as determined in this paragraph  
35 "c". For valuations established for the assessment  
36 year beginning January 1, 2013, the percentage of  
37 actual value as equalized by the director of revenue  
38 as provided in section 441.49 at which industrial  
39 property shall be assessed shall be ninety-five  
40 percent. For valuations established for the assessment  
41 year beginning January 1, 2014, the percentage of  
42 actual value as equalized by the director of revenue  
43 as provided in section 441.49 at which industrial  
44 property shall be assessed shall be ninety percent.  
45 For valuations established for the assessment year  
46 beginning January 1, 2015, the percentage of actual  
47 value as equalized by the director of revenue as  
48 provided in section 441.49 at which industrial property  
49 shall be assessed shall be eighty-five percent.  
50 For valuations established for the assessment year

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1 beginning January 1, 2016, the percentage of actual  
2 value as equalized by the director of revenue as  
3 provided in section 441.49 at which industrial property  
4 shall be assessed shall be eighty percent.

5 Sec. 6. Section 441.21, Code 2013, is amended by  
6 adding the following new subsection:

7 NEW SUBSECTION. 5A. In addition to the limitation  
8 of increases for agricultural and residential property  
9 applicable under subsection 4 and the limitation  
10 of increase for commercial property applicable  
11 under subsection 5, for valuations established for  
12 the assessment year beginning January 1, 2017, and  
13 each assessment year thereafter, for residential,  
14 agricultural, and commercial property, the assessed  
15 value of each of these three classes of property shall  
16 be limited to the percentage increase of that class of  
17 property that is the lowest percentage increase under  
18 the allowable limit adjusted to include the applicable  
19 and current values as equalized by the director of  
20 revenue.

21 Sec. 7. NEW SECTION. 441.21A Commercial and  
22 industrial property tax replacement — replacement  
23 claims.

24 1. a. For each fiscal year beginning on or after  
25 July 1, 2014, there is appropriated from the general  
26 fund of the state to the department of revenue an  
27 amount necessary for the payment of all commercial  
28 and industrial property tax replacement claims under  
29 this section for the fiscal year. However, for a  
30 fiscal year beginning on or after July 1, 2018, the  
31 total amount of moneys appropriated from the general  
32 fund of the state to the department of revenue for  
33 the payment of commercial and industrial property tax  
34 replacement claims in that fiscal year shall not exceed  
35 the total amount of money that was necessary to pay  
36 all commercial and industrial property tax replacement  
37 claims for the fiscal year beginning July 1, 2017.

38 b. Moneys appropriated by the general assembly to  
39 the department under this subsection for the payment  
40 of commercial and industrial property tax replacement  
41 claims are not subject to a uniform reduction in  
42 appropriations in accordance with section 8.31.

43 2. Beginning with the fiscal year beginning  
44 July 1, 2014, each county treasurer shall be paid  
45 by the department of revenue an amount equal to the  
46 amount of the commercial and industrial property tax  
47 replacement claims in the county, as calculated in  
48 subsection 4. For fiscal years beginning on or after  
49 July 1, 2018, if an amount appropriated for a fiscal  
50 year is insufficient to pay all replacement claims,

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1 the director of revenue shall prorate the payment of  
2 replacement claims to the county treasurers and shall  
3 notify the county auditors of the pro rata percentage  
4 on or before September 30.  
5 3. On or before July 1 of each fiscal year  
6 beginning on or after July 1, 2014, the assessor shall  
7 report to the county auditor the total actual value of  
8 all commercial property and industrial property in the  
9 county for the assessment year used to calculate the  
10 taxes due and payable in that fiscal year.  
11 4. On or before a date established by rule of the  
12 department of revenue of each fiscal year beginning on  
13 or after July 1, 2014, the county auditor shall prepare  
14 a statement, based upon the report received pursuant  
15 to subsection 3, listing for each taxing district in  
16 the county:  
17 a. The difference between the assessed valuation  
18 of all commercial property and industrial property for  
19 the assessment year used to calculate taxes which are  
20 due and payable in the applicable fiscal year and the  
21 actual value of all commercial property and industrial  
22 property for the same assessment year. If the  
23 difference between the assessed value of all commercial  
24 property and industrial property and the actual  
25 valuation of all commercial property and industrial  
26 property is zero, there is no tax replacement for that  
27 taxing district for the fiscal year.  
28 b. The tax levy rate per one thousand dollars of  
29 assessed value for each taxing district for that fiscal  
30 year.  
31 c. The commercial and industrial property tax  
32 replacement claim for each taxing district. The  
33 replacement claim is equal to the amount determined  
34 pursuant to paragraph "a", multiplied by the tax rate  
35 specified in paragraph "b", and then divided by one  
36 thousand dollars.  
37 5. For purposes of computing replacement amounts  
38 under this section, that portion of an urban renewal  
39 area defined as the sum of the assessed valuations  
40 defined in section 403.19, subsections 1 and 2, shall  
41 be considered a taxing district.  
42 6. a. The county auditor shall certify and forward  
43 one copy of the statement to the department of revenue  
44 not later than a date of each year established by the  
45 department of revenue by rule.  
46 b. The replacement claims shall be paid to each  
47 county treasurer in equal installments in September  
48 and March of each year. The county treasurer shall  
49 apportion the replacement claim payments among the  
50 eligible taxing districts in the county.

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1     c. If the taxing district is an urban renewal  
2 area, the amount of the replacement claim shall be  
3 apportioned and credited to those portions of the  
4 assessed value defined in section 403.19, subsections  
5 1 and 2, as follows:  
6     (1) To that portion defined in section 403.19,  
7 subsection 1, an amount of the replacement claim that  
8 is proportionate to the amount of actual value of the  
9 commercial and industrial property in the urban renewal  
10 area as determined in section 403.19, subsection 1,  
11 that was subtracted pursuant to section 403.20, as  
12 it bears to the total amount of actual value of the  
13 commercial and industrial property in the urban renewal  
14 area that was subtracted pursuant to section 403.20 for  
15 the assessment year for property taxes due and payable  
16 in the fiscal year for which the replacement claim is  
17 computed.  
18     (2) To that portion defined in section 403.19,  
19 subsection 2, the remaining amount, if any.  
20     d. Notwithstanding the allocation provisions of  
21 paragraph "c", the amount of the tax replacement amount  
22 that shall be allocated to that portion of the assessed  
23 value defined in section 403.19, subsection 2, shall  
24 not exceed the amount equal to the amount certified to  
25 the county auditor under section 403.19 for the fiscal  
26 year in which the claim is paid, after deduction of  
27 the amount of other revenues committed for payment  
28 on that amount for the fiscal year. The amount not  
29 allocated to that portion of the assessed value defined  
30 in section 403.19, subsection 2, as a result of the  
31 operation of this paragraph, shall be allocated to that  
32 portion of assessed value defined in section 403.19,  
33 subsection 1.  
34     e. The amount of the replacement claim amount  
35 credited to the portion of the assessed value defined  
36 in section 403.19, subsection 1, shall be allocated  
37 to and when received be paid into the fund for the  
38 respective taxing district as taxes by or for the  
39 taxing district into which all other property taxes  
40 are paid. The amount of the replacement claim amount  
41 credited to the portion of the assessed value defined  
42 in section 403.19, subsection 2, shall be allocated to  
43 and when collected be paid into the special fund of the  
44 municipality under section 403.19, subsection 2.  
45     Sec. 8. SAVINGS PROVISION. This division of this  
46 Act, pursuant to section 4.13, does not affect the  
47 operation of, or prohibit the application of, prior  
48 provisions of section 441.21, or rules adopted under  
49 chapter 17A to administer prior provisions of section  
50 441.21, for assessment years beginning before January

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1 1, 2013, and for duties, powers, protests, appeals,  
2 proceedings, actions, or remedies attributable to an  
3 assessment year beginning before January 1, 2013.

4 Sec. 9. EFFECTIVE UPON ENACTMENT. This division of  
5 this Act, being deemed of immediate importance, takes  
6 effect upon enactment.

7 Sec. 10. RETROACTIVE APPLICABILITY. This division  
8 of this Act applies retroactively to January 1, 2013,  
9 for assessment years beginning on or after that date.

10 DIVISION II

11 SCHOOL DISTRICT FUNDING

12 Sec. 11. Section 257.1, subsection 2, paragraph b,  
13 Code 2013, is amended by striking the paragraph and  
14 inserting in lieu thereof the following:

15 b. (1) The regular program foundation base per  
16 pupil is the following:

17 (a) For the budget year commencing July 1,  
18 2012, and the budget year commencing July 1, 2013,  
19 the regular program foundation base per pupil is  
20 eighty-seven and five-tenths percent of the regular  
21 program state cost per pupil.

22 (b) For the budget year commencing July 1, 2014,  
23 the regular program foundation base per pupil is  
24 eighty-nine and three hundred seventy-five thousandths  
25 percent of the regular program state cost per pupil.

26 (c) For the budget year commencing July 1, 2015,  
27 the regular program foundation base per pupil is  
28 ninety-one and twenty-five hundredths percent of the  
29 regular program state cost per pupil.

30 (d) For the budget year commencing July 1, 2016,  
31 the regular program foundation base per pupil is  
32 ninety-three and one hundred twenty-five thousandths  
33 percent of the regular program state cost per pupil.

34 (e) For the budget year commencing July 1, 2017,  
35 and succeeding budget years, the regular program  
36 foundation base per pupil is ninety-five percent of the  
37 regular program state cost per pupil.

38 (2) For each budget year, the special education  
39 support services foundation base is seventy-nine  
40 percent of the special education support services state  
41 cost per pupil. The combined foundation base is the  
42 sum of the regular program foundation base, the special  
43 education support services foundation base, the total  
44 teacher salary supplement district cost, the total  
45 professional development supplement district cost, the  
46 total early intervention supplement district cost, the  
47 total area education agency teacher salary supplement  
48 district cost, and the total area education agency  
49 professional development supplement district cost.

50 DIVISION III

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1           MULTIRESIDENTIAL PROPERTY CLASSIFICATION  
2       Sec. 12. Section 404.2, subsection 2, paragraph f,  
3 Code 2013, is amended to read as follows:  
4       f. A statement specifying whether the  
5 revitalization is applicable to none, some, or all of  
6 the property assessed as residential, multiresidential,  
7 agricultural, commercial, or industrial property  
8 within the designated area or a combination thereof and  
9 whether the revitalization is for rehabilitation and  
10 additions to existing buildings or new construction or  
11 both. If revitalization is made applicable only to  
12 some property within an assessment classification, the  
13 definition of that subset of eligible property must  
14 be by uniform criteria which further some planning  
15 objective identified in the plan. The city shall state  
16 how long it is estimated that the area shall remain  
17 a designated revitalization area which time shall  
18 be longer than one year from the date of designation  
19 and shall state any plan by the city to issue revenue  
20 bonds for revitalization projects within the area. For  
21 a county, a revitalization area shall include only  
22 property which will be used as industrial property,  
23 commercial property, ~~commercial property consisting of~~  
24 ~~three or more separate living quarters with at least~~  
25 ~~seventy-five percent of the space used for residential~~  
26 ~~purposes, multiresidential property, or residential~~  
27 property. However, a county shall not provide a tax  
28 exemption under this chapter to commercial property,  
29 ~~commercial property consisting of three or more~~  
30 ~~separate living quarters with at least seventy-five~~  
31 ~~percent of the space used for residential purposes~~  
32 multiresidential property, or residential property  
33 which is located within the limits of a city.  
34       Sec. 13. Section 404.3, subsection 4, Code 2013, is  
35 amended to read as follows:  
36       4. All qualified real estate assessed as  
37 residential property ~~or assessed as commercial~~  
38 ~~property, if the commercial property consists of~~  
39 ~~three or more separate living quarters with at least~~  
40 ~~seventy-five percent of the space used for residential~~  
41 ~~purposes, or assessed as multiresidential property is~~  
42 eligible to receive a one hundred percent exemption  
43 from taxation on the actual value added by the  
44 improvements. The exemption is for a period of ten  
45 years.  
46       Sec. 14. Section 441.21, subsection 8, paragraph b,  
47 Code 2013, is amended to read as follows:  
48       b. Notwithstanding paragraph "a", any construction  
49 or installation of a solar energy system on property  
50 classified as agricultural, residential, commercial,

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1 multiresidential, or industrial property shall not  
2 increase the actual, assessed, and taxable values of  
3 the property for five full assessment years.  
4 Sec. 15. Section 441.21, subsections 9 and 10, Code  
5 2013, are amended to read as follows:  
6 9. Not later than November 1, 1979, and November  
7 1 of each subsequent year, the director shall  
8 certify to the county auditor of each county the  
9 percentages of actual value at which residential  
10 property, agricultural property, commercial property,  
11 industrial property, multiresidential property, and  
12 property valued by the department of revenue pursuant  
13 to chapters 428, 433, 434, 437, and 438 in each  
14 assessing jurisdiction in the county shall be assessed  
15 for taxation. The county auditor shall proceed  
16 to determine the assessed values of agricultural  
17 property, residential property, commercial property,  
18 industrial property, multiresidential property, and  
19 property valued by the department of revenue pursuant  
20 to chapters 428, 433, 434, 437, and 438 by applying  
21 such percentages to the current actual value of such  
22 property, as reported to the county auditor by the  
23 assessor, and the assessed values so determined shall  
24 be the taxable values of such properties upon which the  
25 levy shall be made.  
26 10. The percentage of actual value computed by  
27 the director for agricultural property, residential  
28 property, commercial property, industrial property,  
29 multiresidential property, and property valued by the  
30 department of revenue pursuant to chapters 428, 433,  
31 434, 437, and 438 and used to determine assessed values  
32 of those classes of property does not constitute a rule  
33 as defined in section 17A.2, subsection 11.  
34 Sec. 16. Section 441.21, Code 2013, is amended by  
35 adding the following new subsection:  
36 NEW SUBSECTION. 13. a. Beginning with valuations  
37 established on or after January 1, 2014, mobile home  
38 parks, manufactured home communities, land-leased  
39 communities, assisted living facilities, and that  
40 portion of a building that is used for human habitation  
41 and a proportionate share of the land upon which  
42 the building is situated, even if the use for human  
43 habitation is not the primary use of the building, and  
44 regardless of the number of dwelling units located  
45 in the building, and not otherwise classified as  
46 residential property, shall be valued as a separate  
47 class of property known as multiresidential property  
48 and, excluding properties referred to in section  
49 427A.1, subsection 8, shall be assessed at a percentage  
50 of its actual value, as determined in this subsection.

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1 For valuations established for the assessment year  
2 beginning January 1, 2014, the percentage of actual  
3 value as equalized by the director of revenue as  
4 provided in section 441.49 at which multiresidential  
5 property shall be assessed shall be ninety percent.  
6 For valuations established for the assessment year  
7 beginning January 1, 2015, the percentage of actual  
8 value as equalized by the director of revenue as  
9 provided in section 441.49 at which multiresidential  
10 property shall be assessed shall be eighty percent.  
11 For valuations established for the assessment year  
12 beginning January 1, 2016, the percentage of actual  
13 value as equalized by the director of revenue as  
14 provided in section 441.49 at which multiresidential  
15 property shall be assessed shall be seventy percent.  
16 For valuations established for the assessment year  
17 beginning January 1, 2017, the percentage of actual  
18 value as equalized by the director of revenue as  
19 provided in section 441.49 at which multiresidential  
20 property shall be assessed shall be sixty percent.  
21 For valuations established for the assessment year  
22 beginning January 1, 2018, and each assessment year  
23 thereafter, the percentage of actual value as equalized  
24 by the director of revenue as provided in section  
25 441.49 at which multiresidential property shall be  
26 assessed shall be equal to the percentage of actual  
27 value at which property assessed as residential  
28 property is assessed under subsection 4 for the same  
29 assessment year, after application of the limitations  
30 on increases in residential property provided for in  
31 this section.  
32 *b.* Accordingly, the assessor may assign more than  
33 one classification to a parcel of property that, in  
34 part, satisfies the requirements of this subsection.  
35 *c.* In no case, however, shall property that is  
36 rented or leased to low-income individuals and families  
37 as authorized by section 42 of the Internal Revenue  
38 Code, and that is subject to assessment procedures  
39 relating to section 42 property under section 441.21,  
40 subsection 2, or a hotel, motel, inn, or other building  
41 where rooms or dwelling units are usually rented for  
42 less than one month be classified as multiresidential  
43 property under this subsection.  
44 *d.* As used in this subsection:  
45 (1) *"Assisted living facility"* means property for  
46 providing assisted living as defined in section 231C.2.  
47 *"Assisted living facility"* also includes a health care  
48 facility, as defined in section 135C.1, an elder group  
49 home, as defined in section 231B.1, a child foster care  
50 facility under chapter 237, or property used for a

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1 hospice program as defined in section 135J.1.

2 (2) "*Dwelling unit*" means an apartment, group of  
3 rooms, or single room which is occupied as separate  
4 living quarters or, if vacant, is intended for  
5 occupancy as separate living quarters, in which a  
6 tenant can live and sleep separately from any other  
7 persons in the building.

8 (3) "*Land-leased community*" means the same as  
9 defined in sections 335.30A and 414.28A.

10 (4) "*Manufactured home community*" means the same as  
11 a land-leased community.

12 (5) "*Mobile home park*" means the same as defined in  
13 section 435.1.

14 Sec. 17. Section 558.46, subsection 5, Code 2013,  
15 is amended to read as follows:

16 5. For the purposes of this section, "*residential*  
17 *property*" includes ~~commercial~~ multiresidential property  
18 as defined in section 441.21, subsection 13, consisting  
19 of three or more separate living quarters with at least  
20 seventy-five percent of the space used for residential  
21 purposes.

22 Sec. 18. APPLICABILITY. This division of this  
23 Act applies to assessment years beginning on or after  
24 January 1, 2014.

25 DIVISION IV

26 TELECOMMUNICATIONS COMPANY PROPERTY TAXATION

27 Sec. 19. Section 427A.1, subsection 1, paragraph h,  
28 Code 2013, is amended to read as follows:

29 h. Property assessed by the department of revenue  
30 pursuant to sections 428.24 to 428.29, or chapters ~~433,~~  
31 434, 437, 437A, and 438.

32 Sec. 20. Section 427A.1, subsection 1, Code 2013,  
33 is amended by adding the following new paragraph:

34 NEW PARAGRAPH. *oi.* Qualified telephone company  
35 property that is used in the transaction of telegraph  
36 and telephone business by a company that is subject to  
37 assessment by the department of revenue pursuant to  
38 chapter 433. "*Qualified telephone company property*"  
39 means poles, aerial cable, underground cable, buried  
40 cable, submarine and deep sea cable, intrabuilding  
41 network cable, aerial wire, and conduit systems, all  
42 within the meaning of the telecommunications companies  
43 account provisions of 47 C.F.R. pt. 32, in effect on  
44 the effective date of this division of this Act.

45 Sec. 21. Section 433.1, subsection 4, Code 2013, is  
46 amended to read as follows:

47 4. The whole number of stations on each line, and  
48 the value of the same, ~~including furniture.~~

49 Sec. 22. Section 433.4, Code 2013, is amended to  
50 read as follows:

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1     **433.4 Assessment.**

2     The director of revenue shall on or before October  
3 31 each year and in the same manner and subject to the  
4 provisions for the assessment of property assessed  
5 as commercial property by the local assessor under  
6 chapters 427, 427A, 427B, 428, and 441, proceed to find  
7 the actual value of the property of these companies  
8 in this state that is used by the companies in the  
9 transaction of telegraph and telephone business, taking  
10 into consideration the information obtained from the  
11 statements required, and any further information the  
12 director can obtain, using the same as a means for  
13 determining the actual cash value of the property  
14 of these companies within this state. The director  
15 shall also take into consideration the valuation of  
16 all property of these companies, including franchises  
17 and the use of the property in connection with lines  
18 outside the state, and making these deductions as may  
19 be necessary on account of extra value of property  
20 outside the state as compared with the value of  
21 property in the state, in order that the actual cash  
22 value of the property of the company within this state  
23 may be ascertained. The assessment shall include  
24 all property of every kind and character whatsoever,  
25 real, personal, or mixed, used by the companies in the  
26 transaction of telegraph and telephone business; and  
27 the The property so included in the assessment shall  
28 not be taxed in any other manner than as provided in  
29 this chapter.

30     Sec. 23. Section 441.21, subsection 5, Code 2013,  
31 is amended to read as follows:

32     5. For valuations established as of January 1,  
33 1979, commercial property and industrial property,  
34 excluding properties referred to in section 427A.1,  
35 subsection 8, shall be assessed as a percentage of  
36 the actual value of each class of property. The  
37 percentage shall be determined for each class of  
38 property by the director of revenue for the state in  
39 accordance with the provisions of this section. For  
40 valuations established as of January 1, 1979, the  
41 percentage shall be the quotient of the dividend and  
42 divisor as defined in this section. The dividend  
43 for each class of property shall be the total actual  
44 valuation for each class of property established for  
45 1978, plus six percent of the amount so determined.  
46 The divisor for each class of property shall be the  
47 valuation for each class of property established for  
48 1978, as reported by the assessors on the abstracts  
49 of assessment for 1978, plus the amount of value  
50 added to the total actual value by the revaluation

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1 of existing properties in 1979 as equalized by the  
2 director of revenue pursuant to section 441.49. For  
3 valuations established as of January 1, 1979, property  
4 valued by the department of revenue pursuant to  
5 chapters 428, ~~433~~, 437, and 438 shall be considered  
6 as one class of property and shall be assessed as a  
7 percentage of its actual value. The percentage shall  
8 be determined by the director of revenue in accordance  
9 with the provisions of this section. For valuations  
10 established as of January 1, 1979, the percentage  
11 shall be the quotient of the dividend and divisor as  
12 defined in this section. The dividend shall be the  
13 total actual valuation established for 1978 by the  
14 department of revenue, plus ten percent of the amount  
15 so determined. The divisor for property valued by  
16 the department of revenue pursuant to chapters 428,  
17 ~~433~~, 437, and 438 shall be the valuation established  
18 for 1978, plus the amount of value added to the total  
19 actual value by the revaluation of the property by  
20 the department of revenue as of January 1, 1979.  
21 For valuations established as of January 1, 1980,  
22 commercial property and industrial property, excluding  
23 properties referred to in section 427A.1, subsection  
24 8, shall be assessed at a percentage of the actual  
25 value of each class of property. The percentage  
26 shall be determined for each class of property by  
27 the director of revenue for the state in accordance  
28 with the provisions of this section. For valuations  
29 established as of January 1, 1980, the percentage  
30 shall be the quotient of the dividend and divisor as  
31 defined in this section. The dividend for each class  
32 of property shall be the dividend as determined for  
33 each class of property for valuations established as  
34 of January 1, 1979, adjusted by the product obtained  
35 by multiplying the percentage determined for that year  
36 by the amount of any additions or deletions to actual  
37 value, excluding those resulting from the revaluation  
38 of existing properties, as reported by the assessors  
39 on the abstracts of assessment for 1979, plus four  
40 percent of the amount so determined. The divisor  
41 for each class of property shall be the total actual  
42 value of all such property in 1979, as equalized by  
43 the director of revenue pursuant to section 441.49,  
44 plus the amount of value added to the total actual  
45 value by the revaluation of existing properties in  
46 1980. The director shall utilize information reported  
47 on the abstracts of assessment submitted pursuant  
48 to section 441.45 in determining such percentage.  
49 For valuations established as of January 1, 1980,  
50 property valued by the department of revenue pursuant

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1 to chapters 428, ~~433~~, 437, and 438 shall be assessed  
2 at a percentage of its actual value. The percentage  
3 shall be determined by the director of revenue in  
4 accordance with the provisions of this section. For  
5 valuations established as of January 1, 1980, the  
6 percentage shall be the quotient of the dividend and  
7 divisor as defined in this section. The dividend shall  
8 be the total actual valuation established for 1979 by  
9 the department of revenue, plus eight percent of the  
10 amount so determined. The divisor for property valued  
11 by the department of revenue pursuant to chapters 428,  
12 ~~433~~, 437, and 438 shall be the valuation established  
13 for 1979, plus the amount of value added to the total  
14 actual value by the revaluation of the property by  
15 the department of revenue as of January 1, 1980. For  
16 valuations established as of January 1, 1981, and  
17 each year thereafter, the percentage of actual value  
18 as equalized by the director of revenue as provided  
19 in section 441.49 at which commercial property and  
20 industrial property, excluding properties referred to  
21 in section 427A.1, subsection 8, shall be assessed  
22 shall be calculated in accordance with the methods  
23 provided herein, except that any references to six  
24 percent in this subsection shall be four percent. For  
25 valuations established as of January 1, 1981, and  
26 each year thereafter, the percentage of actual value  
27 at which property valued by the department of revenue  
28 pursuant to chapters 428, ~~433~~, 437, and 438 shall be  
29 assessed shall be calculated in accordance with the  
30 methods provided herein, except that any references to  
31 ten percent in this subsection shall be eight percent.  
32 For valuations established on or after January 1, 2013,  
33 property valued by the department of revenue pursuant  
34 to chapter 433 shall be assessed at a percentage of  
35 its actual value. For valuations established for  
36 the assessment year beginning January 1, 2013, the  
37 percentage of actual value at which property valued by  
38 the department of revenue pursuant to chapter 433 shall  
39 be assessed shall be eighty percent. For valuations  
40 established for the assessment year beginning January  
41 1, 2014, and each year thereafter, the percentage of  
42 actual value at which property valued by the department  
43 of revenue pursuant to chapter 433 shall be assessed  
44 shall be sixty percent. Beginning with valuations  
45 established as of January 1, 1979, and each year  
46 thereafter, property valued by the department of  
47 revenue pursuant to chapter 434 shall also be assessed  
48 at a percentage of its actual value which percentage  
49 shall be equal to the percentage determined by the  
50 director of revenue for commercial property, industrial

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1 property, or property valued by the department of  
2 revenue pursuant to chapters 428, ~~433~~, 437, and 438,  
3 whichever is lowest.

4 Sec. 24. Section 441.21, subsections 9 and 10, Code  
5 2013, are amended to read as follows:

6 9. Not later than November 1, 1979, and November  
7 1 of each subsequent year, the director shall certify  
8 to the county auditor of each county the percentages  
9 of actual value at which residential property,  
10 agricultural property, commercial property, industrial  
11 property, property valued by the department of  
12 revenue under chapter 433, and property valued by  
13 the department of revenue pursuant to chapters 428,  
14 ~~433~~, 434, 437, and 438 in each assessing jurisdiction  
15 in the county shall be assessed for taxation. The  
16 county auditor shall proceed to determine the assessed  
17 values of agricultural property, residential property,  
18 commercial property, industrial property, property  
19 valued by the department of revenue under chapter  
20 433, and property valued by the department of revenue  
21 pursuant to chapters 428, ~~433~~, 434, 437, and 438 by  
22 applying such percentages to the current actual value  
23 of such property, as reported to the county auditor by  
24 the assessor, and the assessed values so determined  
25 shall be the taxable values of such properties upon  
26 which the levy shall be made.

27 10. The percentage of actual value computed by  
28 the director for agricultural property, residential  
29 property, commercial property, industrial property,  
30 property valued by the department of revenue under  
31 chapter 433, and property valued by the department of  
32 revenue pursuant to chapters 428, ~~433~~, 434, 437, and  
33 438 and used to determine assessed values of those  
34 classes of property does not constitute a rule as  
35 defined in section 17A.2, subsection 11.

36 Sec. 25. Section 476.1D, subsection 10, Code 2013,  
37 is amended by striking the subsection.

38 Sec. 26. EFFECTIVE DATE. The sections of this  
39 division of this Act amending section 441.21, being  
40 deemed of immediate importance, take effect upon  
41 enactment.

42 Sec. 27. APPLICABILITY.

43 1. Except as provided in subsection 2, this  
44 division of this Act applies to assessment years  
45 beginning on or after January 1, 2014.

46 2. The sections of this division of this Act  
47 amending section 441.21 apply retroactively to  
48 assessment years beginning on or after January 1,  
49 2013.>

50 2. Title page, by striking lines 1 through 4 and

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1 inserting <An Act relating to state and local finances  
2 by establishing and modifying property assessment  
3 limitations, providing for commercial and industrial  
4 property tax replacement payments, increasing  
5 the regular program foundation base percentage,  
6 providing for the taxation of multiresidential  
7 property, modifying provisions for the taxation  
8 of telecommunications company property, making  
9 appropriations, and including effective date,  
10 retroactive applicability, and other applicability  
11 provisions.>

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SANDS of Louisa



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Senate File 295

H-1309

1 Amend the amendment, H-1308, to Senate File 295, as  
2 passed by the Senate, as follows:

3 1. Page 18, after line 49 by inserting:

4 <DIVISION \_\_\_\_\_  
5 TAXPAYERS TRUST FUND

6 Sec. \_\_\_\_\_. Section 8.54, subsection 5, Code 2013, is  
7 amended by striking the subsection.

8 Sec. \_\_\_\_\_. Section 8.55, subsection 2, Code 2013, is  
9 amended to read as follows:

10 2. The maximum balance of the fund is the amount  
11 equal to two and one-half percent of the adjusted  
12 revenue estimate for the fiscal year. If the amount of  
13 moneys in the Iowa economic emergency fund is equal to  
14 the maximum balance, moneys in excess of this amount  
15 shall be distributed as follows:

16 ~~a. The first sixty million dollars of the~~  
17 ~~difference between the actual net revenue for the~~  
18 ~~general fund of the state for the fiscal year and the~~  
19 ~~adjusted revenue estimate for the fiscal year shall be~~  
20 ~~transferred to the taxpayers trust fund.~~

21 ~~b. The remainder of the excess, if any, shall be~~  
22 ~~transferred to the general fund of the state.~~

23 Sec. \_\_\_\_\_. Section 8.57E, subsection 2, Code 2013,  
24 is amended to read as follows:

25 2. Moneys in the taxpayers trust fund shall only  
26 be used pursuant to appropriations or transfers made  
27 by the general assembly for tax relief. During each  
28 fiscal year beginning on or after July 1, 2014, in  
29 which the balance of the taxpayers trust fund equals or  
30 exceeds thirty million dollars, there is transferred  
31 from the taxpayers trust fund to the Iowa taxpayers  
32 trust fund tax credit fund created in section 422.11E,  
33 the entire balance of the taxpayers trust fund to be  
34 used for the Iowa taxpayers trust fund tax credit in  
35 accordance with section 422.11E, subsection 5.

36 Sec. \_\_\_\_\_. Section 8.58, Code 2013, is amended to  
37 read as follows:

38 **8.58 Exemption from automatic application.**

39 1. ~~To the extent that moneys appropriated under~~  
40 ~~section 8.57 do not result in moneys being credited~~  
41 ~~to the general fund under section 8.55, subsection 2,~~  
42 ~~moneys~~ Moneys appropriated under in section 8.57 and  
43 moneys contained in the cash reserve fund, rebuild  
44 Iowa infrastructure fund, environment first fund, Iowa  
45 economic emergency fund, and taxpayers trust fund shall  
46 not be considered in the application of any formula,  
47 index, or other statutory triggering mechanism which  
48 would affect appropriations, payments, or taxation  
49 rates, contrary provisions of the Code notwithstanding.

50 2. ~~To the extent that moneys appropriated under~~

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1 ~~section 8.57 do not result in moneys being credited~~  
2 ~~to the general fund under section 8.55, subsection 2,~~  
3 ~~moneys~~ Moneys appropriated under in section 8.57 and  
4 moneys contained in the cash reserve fund, rebuild  
5 Iowa infrastructure fund, environment first fund, Iowa  
6 economic emergency fund, and taxpayers trust fund shall  
7 not be considered by an arbitrator or in negotiations  
8 under chapter 20.

9 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
10 of this Act, being deemed of immediate importance,  
11 takes effect upon enactment.

12 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. This division  
13 of this Act applies retroactively to July 1, 2012, to  
14 moneys attributed to fiscal years beginning on or after  
15 July 1, 2012.

16 DIVISION \_\_\_\_

17 IOWA TAXPAYERS TRUST FUND TAX CREDIT

18 Sec. \_\_\_\_\_. TAXPAYERS TRUST FUND — IOWA TAXPAYERS  
19 TRUST FUND TAX CREDIT TRANSFER. During the fiscal  
20 year beginning July 1, 2013, there is transferred from  
21 the taxpayers trust fund created in section 8.57E to  
22 the Iowa taxpayers trust fund tax credit fund created  
23 in section 422.11E, an amount equal to the sum of  
24 the balance of the taxpayers trust fund as determined  
25 after the close of the fiscal year beginning July 1,  
26 2012, and ending June 30, 2013, including the amount  
27 transferred for that fiscal year to the taxpayers trust  
28 fund from the Iowa economic emergency fund created  
29 in section 8.55 in the fiscal year beginning July 1,  
30 2013, and ending June 30, 2014, to be used for the Iowa  
31 taxpayers trust fund tax credit in accordance with  
32 section 422.11E, subsection 5.

33 Sec. \_\_\_\_\_. Section 257.21, unnumbered paragraph 2,  
34 Code 2013, is amended to read as follows:

35 The instructional support income surtax shall be  
36 imposed on the state individual income tax for the  
37 calendar year during which the school's budget year  
38 begins, or for a taxpayer's fiscal year ending during  
39 the second half of that calendar year and after the  
40 date the board adopts a resolution to participate  
41 in the program or the first half of the succeeding  
42 calendar year, and shall be imposed on all individuals  
43 residing in the school district on the last day of  
44 the applicable tax year. As used in this section,  
45 "state individual income tax" means the taxes computed  
46 under section 422.5, less the amounts of nonrefundable  
47 credits allowed under chapter 422, division II, except  
48 for the Iowa taxpayers trust fund tax credit allowed  
49 under section 422.11E.

50 Sec. \_\_\_\_\_. NEW SECTION. 422.11E Iowa taxpayers

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1 trust fund tax credit.

2 1. For purposes of this section, unless the context  
3 otherwise requires:

4 a. "*Eligible individual*" means, with respect to  
5 a tax year, an individual who makes and files an  
6 individual income tax return pursuant to section  
7 422.13. "*Eligible individual*" does not include  
8 an estate or trust, or an individual for whom an  
9 individual income tax return was not timely filed,  
10 including extensions.

11 b. "*Unclaimed tax credit*" means, with respect to  
12 a tax year, the aggregate amount by which the Iowa  
13 taxpayers trust fund tax credits that were eligible to  
14 be claimed by eligible individuals, if any, exceeds the  
15 Iowa taxpayers trust fund tax credits actually claimed  
16 by eligible individuals, if any.

17 2. The taxes imposed under this division, less the  
18 credits allowed under this division except the credits  
19 for withheld tax and estimated tax paid in section  
20 422.16, shall be reduced by an Iowa taxpayers trust  
21 fund tax credit to an eligible individual for the tax  
22 year beginning January 1 immediately preceding July 1  
23 of any fiscal year during which a transfer, if any, is  
24 made from the taxpayers trust fund in section 8.57E to  
25 the Iowa taxpayers trust fund tax credit fund created  
26 in this section.

27 3. The credit shall be equal to the quotient of  
28 the amount transferred to the Iowa taxpayers trust  
29 fund tax credit fund in the applicable fiscal year,  
30 divided by the number of eligible individuals for the  
31 tax year immediately preceding the tax year for which  
32 the credit in this section is allowed, as determined  
33 by the director of revenue in accordance with this  
34 section, rounded down to the nearest whole dollar. The  
35 department of revenue shall draft the income tax form  
36 for any tax year in which a credit will be allowed  
37 under this section to provide the information and space  
38 necessary for eligible individuals to claim the credit.

39 4. Any credit in excess of the taxpayer's liability  
40 for the tax year is not refundable and shall not be  
41 credited to the tax liability for any following year  
42 or carried back to a tax year prior to the tax year in  
43 which the taxpayer claims the credit.

44 5. a. There is established within the state  
45 treasury under the control of the department an Iowa  
46 taxpayers trust fund tax credit fund consisting of any  
47 moneys transferred by the general assembly by law from  
48 the taxpayers trust fund created in section 8.57E for  
49 purposes of the credit provided in this section. For  
50 the fiscal year beginning July 1, 2013, and for each

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1 fiscal year thereafter, the department shall transfer  
2 from the Iowa taxpayers trust fund tax credit fund  
3 to the general fund of the state, the lesser of the  
4 balance of the Iowa taxpayers trust fund tax credit  
5 fund or an amount of money equal to the Iowa taxpayers  
6 trust fund tax credits claimed in that fiscal year, if  
7 any. Any moneys in the Iowa taxpayers trust fund tax  
8 credit fund which represent unclaimed tax credits shall  
9 immediately revert to the taxpayers trust fund created  
10 in section 8.57E. Interest or earnings on moneys in  
11 the Iowa taxpayers trust fund tax credit fund shall be  
12 credited to the taxpayers trust fund created in section  
13 8.57E.

14     **b.** The moneys transferred to the general fund of  
15 the state in accordance with this subsection shall not  
16 be considered new revenues for purposes of the state  
17 general fund expenditure limitation under section 8.54  
18 but instead as replacement of a like amount included in  
19 the expenditure limitation for the fiscal year in which  
20 the transfer is made.

21     Sec. \_\_\_\_\_. Section 422D.2, Code 2013, is amended to  
22 read as follows:

23     **422D.2 Local income surtax.**

24     A county may impose by ordinance a local income  
25 surtax as provided in section 422D.1 at the rate set  
26 by the board of supervisors, of up to one percent,  
27 on the state individual income tax of each individual  
28 residing in the county at the end of the individual's  
29 applicable tax year. However, the cumulative total of  
30 the percents of income surtax imposed on any taxpayer  
31 in the county shall not exceed twenty percent. The  
32 reason for imposing the surtax and the amount needed  
33 shall be set out in the ordinance. The surtax rate  
34 shall be set to raise only the amount needed. For  
35 purposes of this section, "*state individual income tax*"  
36 means the tax computed under section 422.5, less the  
37 amounts of nonrefundable credits allowed under chapter  
38 422, division II, except for the Iowa taxpayers trust  
39 fund tax credit allowed under section 422.11E.

40     Sec. \_\_\_\_\_. **EFFECTIVE UPON ENACTMENT.** This division  
41 of this Act, being deemed of immediate importance,  
42 takes effect upon enactment.

43     Sec. \_\_\_\_\_. **RETROACTIVE APPLICABILITY.** This division  
44 of this Act applies retroactively to January 1, 2013,  
45 for tax years beginning on or after that date.>

46     2. Page 19, line 8, after <property,> by inserting  
47 <modifying provisions relating to the taxpayers trust  
48 fund, providing a taxpayers trust fund tax credit,>

49     3. By renumbering, redesignating, and correcting  
50 internal references as necessary.

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COWNIE of Polk



Iowa General Assembly  
Daily Bills, Amendments and Study Bills  
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House File 636 - Introduced

HOUSE FILE 636  
BY JACOBY

A BILL FOR

1 An Act providing for a tax credit against the individual  
2 and corporate income taxes, the franchise tax, insurance  
3 premiums tax, and the moneys and credits tax for a  
4 charitable contribution to certain institutions engaged in  
5 regenerative medicine research and including retroactive  
6 applicability provisions.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 1743YH (3) 85  
mm/sc



Iowa General Assembly  
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H.F. 636

1 Section 1. NEW SECTION. 422.11E Regenerative medicine  
2 research tax credit.

3 1. a. The taxes imposed under this division, less the  
4 credits allowed under section 422.12, shall be reduced by a  
5 regenerative medicine research tax credit.

6 b. The credit shall be in an amount equal to twenty percent  
7 of a taxpayer's charitable contribution to an eligible research  
8 institution located in the state. For purposes of this  
9 section, "*eligible research institution*" means an organization  
10 qualifying under section 501(c)(3) of the Internal Revenue Code  
11 as an organization exempt from federal income tax under section  
12 501(a) of the Internal Revenue Code that is engaged in research  
13 designed to improve patient care through the development and  
14 dissemination of novel clinical therapies for the functional  
15 repair and replacement of diseased tissues and organs.

16 c. An individual may claim a tax credit under this  
17 subsection of a partnership, limited liability company,  
18 S corporation, estate, or trust electing to have income  
19 taxed directly to the individual. The amount claimed by the  
20 individual shall be based upon the pro rata share of the  
21 individual's earnings from the partnership, limited liability  
22 company, S corporation, estate, or trust.

23 d. Any tax credit in excess of the taxpayer's tax liability  
24 for the tax year is not refundable, but the taxpayer may  
25 elect to have the excess credited to the tax liability for  
26 the following four tax years or until depleted, whichever is  
27 earlier.

28 2. a. To claim a tax credit under this section, the  
29 taxpayer shall apply to the department for a tax credit  
30 certificate. After verifying the eligibility of a taxpayer for  
31 a tax credit pursuant to this section, the department shall  
32 issue a tax credit certificate to be attached to the taxpayer's  
33 tax return. The tax credit certificate shall be issued on  
34 a first-come, first-served basis based upon the date of the  
35 application and shall contain the taxpayer's name, address,

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1 tax identification number, the amount of the credit, the  
2 certificate expiration date, and any other information required  
3 by the department.

4     **b.** To claim a tax credit under this section, a taxpayer must  
5 attach one or more tax credit certificates to the taxpayer's  
6 tax return. The tax credit certificate or certificates  
7 attached to the taxpayer's tax return shall be issued in the  
8 taxpayer's name, and the expiration date on the certificate  
9 shall be a date that falls on or after the last day of the  
10 taxable year for which the taxpayer is claiming the tax credit.

11     **c.** The tax credit certificate, unless otherwise void,  
12 shall be accepted by the department as payment toward the  
13 tax liability of the taxpayer, subject to any conditions or  
14 restrictions placed by the department upon the face of the  
15 tax credit certificate and subject to the limitations of this  
16 section.

17     **d.** Tax credit certificates issued under this section are not  
18 transferable to any person or entity.

19     **3.** A deduction pursuant to section 170 of the Internal  
20 Revenue Code for the amount of the contribution eligible for  
21 the tax credit is not allowed for state tax purposes.

22     **4.** The maximum amount of tax credits issued in a fiscal  
23 year pursuant to this section, section 422.33, subsection 30,  
24 section 422.60, subsection 12, section 432.12N, and section  
25 533.329, subsection 2, paragraph "k", shall not exceed ten  
26 million dollars.

27     **Sec. 2.** Section 422.33, Code 2013, is amended by adding the  
28 following new subsection:

29     **NEW SUBSECTION.** 30. The taxes imposed under this division  
30 shall be reduced by a regenerative medicine research tax credit  
31 in the same manner, for the same amount, and under the same  
32 conditions as provided in section 422.11E.

33     **Sec. 3.** Section 422.60, Code 2013, is amended by adding the  
34 following new subsection:

35     **NEW SUBSECTION.** 12. The taxes imposed under this division

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1 shall be reduced by a regenerative medicine research tax credit  
2 in the same manner, for the same amount, and under the same  
3 conditions as provided in section 422.11E.

4 Sec. 4. NEW SECTION. 432.12N Regenerative medicine research  
5 tax credit.

6 The taxes imposed under this chapter shall be reduced by a  
7 regenerative medicine research tax credit in the same manner,  
8 for the same amount, and under the same conditions as provided  
9 in section 422.11E.

10 Sec. 5. Section 533.329, subsection 2, Code 2013, is amended  
11 by adding the following new paragraph:

12 NEW PARAGRAPH. k. The moneys and credits tax imposed  
13 under this section shall be reduced by a regenerative medicine  
14 research tax credit in the same manner, for the same amount,  
15 and under the same conditions as provided in section 422.11E.

16 Sec. 6. RETROACTIVE APPLICABILITY. This Act applies  
17 retroactively to January 1, 2013, for tax years beginning on  
18 or after that date.

19 EXPLANATION

20 This bill provides a credit against the individual or  
21 corporate income tax, the franchise tax, the insurance premiums  
22 tax, and the moneys and credits tax for 20 percent of a  
23 taxpayer's contribution to a regenerative medicine research  
24 institution, as defined in the bill, and located in the  
25 state. Generally, such contributions are tax deductible under  
26 current federal and state law, and taking a deduction for the  
27 contribution precludes the taxpayer from claiming the credit.

28 The tax credit is not refundable but, at the taxpayer's  
29 election, may be credited to the taxpayer's tax liability for  
30 up to four subsequent tax years or until depletion, whichever  
31 is earlier. The tax credits are not transferable. The tax  
32 credits are issued on a first-come, first-served basis, and the  
33 maximum amount of tax credits is limited to \$10 million in any  
34 one fiscal year. The department of revenue approves the tax  
35 credits and issues the tax credit certificates to taxpayers.

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1 The bill applies retroactively to January 1, 2013, for tax  
2 years beginning on or after that date.



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House Joint Resolution 14 - Introduced

HOUSE JOINT RESOLUTION 14  
BY ALONS, DOLECHECK, FRY,  
BRANDENBURG, HEARTSILL,  
SHAW, GASSMAN, SALMON,  
KOESTER, LANDON, SHEETS,  
and SCHULTZ

HOUSE JOINT RESOLUTION

1 A Joint Resolution proposing an amendment to the Constitution  
2 of the State of Iowa relating to religion and religious  
3 practices.  
4 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 1091YH (4) 85  
rh/sc



Iowa General Assembly  
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H.J.R. 14

1 Section 1. The following amendment to the Constitution of  
2 the State of Iowa is proposed:

3 Section 3 of Article I of the Constitution of the State of  
4 Iowa is repealed and the following adopted in lieu thereof:

5 **Religion.** SEC. 3. All men and women have a natural and  
6 indefeasible right to worship God according to the dictates of  
7 their own consciences and no human authority can control or  
8 interfere with the rights of conscience.

9 In order to secure a citizen's right to acknowledge God  
10 according to the dictates of the citizen's own conscience,  
11 neither the state nor any of its political subdivisions shall  
12 establish any official religion, nor shall a citizen's right to  
13 pray or express the citizen's religious beliefs be infringed.

14 The state shall not coerce any person to participate in any  
15 prayer or other religious activity, but shall ensure that any  
16 person shall have the right to pray individually or corporately  
17 in a private or public setting as long as such prayer does not  
18 result in the disturbance of the peace or the disruption of a  
19 public meeting or assembly.

20 Citizens as well as elected officials and employees of the  
21 state and its political subdivisions shall have the right to  
22 pray on government premises and public property as long as such  
23 prayers abide within the same regulations placed upon any other  
24 free speech under similar circumstances.

25 The general assembly and the governing bodies of political  
26 subdivisions may extend to ministers, clergypersons, and other  
27 individuals the privilege to offer invocations or other prayers  
28 at meetings or sessions of the general assembly or governing  
29 bodies.

30 Students may express their beliefs about religion in written  
31 and oral assignments free from discrimination based on the  
32 religious content of their work, and a student shall not be  
33 compelled to perform or participate in academic assignments or  
34 educational presentations that violate the student's religious  
35 beliefs, and the state shall ensure that public school students

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H.J.R. 14

1 have a right to free exercise of religious expression without  
2 interference, as long as such prayer or other expression is  
3 private and voluntary, whether individually or corporately, and  
4 in a manner that is not disruptive and as long as such prayers  
5 or expressions abide within the same regulations placed upon  
6 any other free speech under similar circumstances.

7 All public schools receiving state appropriations shall  
8 display, in a conspicuous and legible manner, the text of the  
9 Bill of Rights of the Constitution of the United States and the  
10 Declaration of Independence.

11 This section shall not be construed to expand the rights of  
12 prisoners in state or local custody beyond those afforded by  
13 the laws of the United States, excuse acts of immorality, or to  
14 justify practices inconsistent with the good order, peace, or  
15 safety of the state, or with the rights of others.

16 Sec. 2. PUBLICATION AND REFERRAL TO NEXT GENERAL  
17 ASSEMBLY. The foregoing proposed amendment to the Constitution  
18 of the State of Iowa is referred to the general assembly to be  
19 chosen at the next general election for members of the general  
20 assembly, and the secretary of state is directed to cause the  
21 proposed amendment to be published for three consecutive months  
22 previous to the date of that election as provided by law.

23 EXPLANATION

24 This joint resolution proposes an amendment to the  
25 Constitution of the State of Iowa relating to religion and  
26 religious practices.

27 Article I, section 3, of the Iowa Constitution currently  
28 provides that the general assembly shall make no law respecting  
29 an establishment of religion, or prohibiting the free exercise  
30 thereof; nor shall any person be compelled to attend any place  
31 of worship, pay tithes, taxes, or other rates for building  
32 or repairing places of worship, or the maintenance of any  
33 minister, or ministry.

34 The resolution repeals article I, section 3 of the Iowa  
35 Constitution and specifically provides that all men and women

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1 have a natural and infeasible right to worship God as they  
2 so choose, that no human authority can control or interfere  
3 with the rights of conscience, and that neither the state nor  
4 any of its political subdivisions shall establish any official  
5 religion or coerce any person to participate in any prayer or  
6 other religious activity, but shall ensure that any person  
7 shall have the right to pray in a private or public setting,  
8 including schools, as long as such prayer does not result in  
9 the disturbance of the peace or the disruption of a public  
10 meeting or assembly. Citizens as well as elected officials  
11 and employees of the state and its political subdivisions  
12 shall have the right to pray on government premises and  
13 public property as long as such prayers abide within the same  
14 regulations placed upon any other free speech under similar  
15 circumstances. The general assembly and the governing bodies  
16 of political subdivisions may allow ministers, clergypersons,  
17 and other individuals to offer invocations or other prayers  
18 at meetings or sessions of the general assembly or governing  
19 bodies.

20 The resolution further provides that students are allowed  
21 to express their religious beliefs in assignments free from  
22 discrimination and cannot be required to participate in  
23 assignments or presentations that violate their beliefs. A  
24 public school receiving state funds is required to display the  
25 text of the Bill of Rights of the United States Constitution  
26 and the Declaration of Independence in a conspicuous and  
27 legible manner.

28 The resolution shall not be construed to expand the rights of  
29 prisoners in state or local custody beyond those afforded by  
30 federal law, excuse acts of immorality, or to justify practices  
31 inconsistent with the good order, peace, or safety of the  
32 state, or with the rights of others.

33 The resolution, if adopted, would be published and then  
34 referred to the next general assembly (86th) for adoption,  
35 before being submitted to the electorate for ratification.

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House File 592

S-3157

- 1 Amend House File 592, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. By striking page 1, line 1, through page 3, line
- 4 8.
- 5 2. Page 4, by striking lines 8 through 10.
- 6 3. By renumbering as necessary.

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RICH TAYLOR





Iowa General Assembly  
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House File 603

S-3158

1 Amend the amendment, S-3148, to House File 603,  
2 as amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 17, after line 48 by inserting:

5 <DIVISION \_\_\_\_\_  
6 TERRACE HILL COMMISSION

7 Sec. \_\_\_\_\_. Section 8A.326, Code 2013, is amended by  
8 adding the following new subsection:

9 NEW SUBSECTION. 1A. The governor may appoint an  
10 administrator of the Terrace Hill facility who may  
11 perform any acts which are necessary or desirable to  
12 coordinate the administration of the Terrace Hill  
13 facility.

14 Sec. \_\_\_\_\_. Section 8A.326, subsection 2, Code 2013,  
15 is amended by striking the subsection and inserting in  
16 lieu thereof the following:

17 2. The purpose of the Terrace Hill commission is to  
18 provide for the preservation, maintenance, renovation,  
19 landscaping, and administration of the Terrace  
20 Hill facility. The Terrace Hill facility includes  
21 the Terrace Hill mansion, carriage house, grounds,  
22 historical collections, and all other related property.

23 Sec. \_\_\_\_\_. Section 8A.326, subsection 3, Code 2013,  
24 is amended to read as follows:

25 3. The Terrace Hill commission may enter into  
26 contracts, subject to this chapter, to execute its  
27 purposes, including, without limitation, contracts  
28 authorizing nonprofit organizations acting solely for  
29 the benefit and support of the Terrace Hill facility  
30 to do any of the following:

31 a. Solicit funds and accept donations, gifts, and  
32 bequests approved by the commission and in accordance  
33 with priorities established by the commission.

34 b. Administer a Terrace Hill membership program.

35 c. Maintain the Terrace Hill historical  
36 collections.>

37 2. By renumbering, redesignating, and correcting  
38 internal references as necessary.

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LIZ MATHIS

S3148.1673 (2) 85

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ec/tm

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Iowa General Assembly  
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House File 603

S-3159

- 1 Amend the amendment, S-3148, to House File 603,
- 2 as amended, passed, and reprinted by the House, as
- 3 follows:
- 4 1. Page 10, by striking line 19 and inserting:
- 5 <..... \$ 3,045,719>
- 6 2. Page 10, by striking lines 21 through 24.
- 7 3. Page 17, after line 48 by inserting:
- 8 <DIVISION
- 9 SOCIOECONOMIC STUDY ON GAMBLING
- 10 Sec. \_\_\_\_\_. Section 99F.4, subsection 24, Code 2013,
- 11 is amended by striking the subsection.>
- 12 4. By renumbering as necessary.

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JEFF DANIELSON



Iowa General Assembly  
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House File 592

S-3160

- 1 Amend House File 592, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. By striking page 1, line 1, through page 3, line
- 4 8.
- 5 2. Page 4, line 10, by striking <13B.4A> and
- 6 inserting <13B.4, subsection 4, paragraph "d">
- 7 3. By renumbering as necessary.

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RICH TAYLOR

HF592.1699 (4) 85

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House Amendment to  
Senate File 430

S-3161

1 Amend Senate File 430, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. By striking everything after the enacting clause  
4 and inserting:

<DIVISION I

FY 2013-2014

7 Section 1. DEPARTMENT OF CULTURAL AFFAIRS.

8 1. There is appropriated from the general fund of  
9 the state to the department of cultural affairs for the  
10 fiscal year beginning July 1, 2013, and ending June 30,  
11 2014, the following amounts, or so much thereof as is  
12 necessary, to be used for the purposes designated:

13 a. ADMINISTRATION

14 For salaries, support, maintenance, miscellaneous  
15 purposes, and for not more than the following full-time  
16 equivalent positions for the department:

17 ..... \$ 171,813  
18 ..... FTEs 74.50

19 The department of cultural affairs shall coordinate  
20 activities with the tourism office of the economic  
21 development authority to promote attendance at the  
22 state historical building and at this state's historic  
23 sites.

24 Full-time equivalent positions authorized under this  
25 paragraph shall be funded, in full or in part, using  
26 moneys appropriated under this paragraph and paragraphs  
27 "c" through "g".

28 b. COMMUNITY CULTURAL GRANTS

29 For planning and programming for the community  
30 cultural grants program established under section  
31 303.3:

32 ..... \$ 172,090

33 c. HISTORICAL DIVISION

34 For the support of the historical division:

35 ..... \$ 3,017,701

36 d. HISTORIC SITES

37 For the administration and support of historic  
38 sites:

39 ..... \$ 426,398

40 e. ARTS DIVISION

41 For the support of the arts division:

42 ..... \$ 1,233,764

43 f. IOWA GREAT PLACES

44 For the Iowa great places program established under  
45 section 303.3C:

46 ..... \$ 150,000

47 g. ARCHIVE IOWA GOVERNORS' RECORDS

48 For archiving the records of Iowa governors:

49 ..... \$ 65,933

50 h. RECORDS CENTER RENT

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1 For payment of rent for the state records center:  
2 ..... \$ 227,243  
3 i. BATTLE FLAGS  
4 For continuation of the project recommended by the  
5 Iowa battle flag advisory committee to stabilize the  
6 condition of the battle flag collection:  
7 ..... \$ 94,000  
8 2. Notwithstanding section 8.33, moneys  
9 appropriated in this section that remain unencumbered  
10 or unobligated at the close of the fiscal year shall  
11 not revert but shall remain available for expenditure  
12 for the purposes designated until the close of the  
13 succeeding fiscal year.  
14 Sec. 2. GOALS AND ACCOUNTABILITY — ECONOMIC  
15 DEVELOPMENT.  
16 1. For the fiscal year beginning July 1, 2013, the  
17 goals for the economic development authority shall be  
18 to expand and stimulate the state economy, increase the  
19 wealth of Iowans, and increase the population of the  
20 state.  
21 2. To achieve the goals in subsection 1, the  
22 economic development authority shall do all of the  
23 following for the fiscal year beginning July 1, 2013:  
24 a. Concentrate its efforts on programs and  
25 activities that result in commercially viable products  
26 and services.  
27 b. Adopt practices and services consistent with  
28 free market, private sector philosophies.  
29 c. Ensure economic growth and development  
30 throughout the state.  
31 d. Work with businesses and communities to  
32 continually improve the economic development climate  
33 along with the economic well-being and quality of life  
34 for Iowans.  
35 e. Coordinate with other state agencies to  
36 ensure that they are attentive to the needs of an  
37 entrepreneurial culture.  
38 f. Establish a strong and aggressive marketing  
39 image to showcase Iowa's workforce, existing industry,  
40 and potential. A priority shall be placed on  
41 recruiting new businesses, business expansion, and  
42 retaining existing Iowa businesses. Emphasis shall be  
43 placed on entrepreneurial development through helping  
44 entrepreneurs secure capital, and developing networks  
45 and a business climate conducive to entrepreneurs and  
46 small businesses.  
47 g. Encourage the development of communities and  
48 quality of life to foster economic growth.  
49 h. Prepare communities for future growth and  
50 development through development, expansion, and

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1 modernization of infrastructure.  
2 i. Develop public-private partnerships with  
3 Iowa businesses in the tourism industry, Iowa tour  
4 groups, Iowa tourism organizations, and political  
5 subdivisions in this state to assist in the development  
6 of advertising efforts.  
7 j. Develop, to the fullest extent possible,  
8 cooperative efforts for advertising with contributions  
9 from other sources.  
10 Sec. 3. ECONOMIC DEVELOPMENT AUTHORITY.  
11 1. APPROPRIATION  
12 a. There is appropriated from the general fund of  
13 the state to the economic development authority for the  
14 fiscal year beginning July 1, 2013, and ending June 30,  
15 2014, the following amount, or so much thereof as is  
16 necessary, to be used for the purposes designated in  
17 this subsection, and for not more than the following  
18 full-time equivalent positions:  
19 ..... \$ 13,224,424  
20 ..... FTEs 149.00  
21 b. (1) For salaries, support, miscellaneous  
22 purposes, programs, marketing, and the maintenance of  
23 an administration division, a business development  
24 division, a community development division, a small  
25 business development division, and other divisions the  
26 authority may organize.  
27 (2) The full-time equivalent positions authorized  
28 under this section shall be funded, in whole or in  
29 part, by the moneys appropriated under this subsection  
30 or by other moneys received by the authority, including  
31 certain federal moneys.  
32 (3) For business development operations and  
33 programs, international trade, export assistance,  
34 workforce recruitment, and the partner state program.  
35 (4) For transfer to the strategic investment fund  
36 created in section 15.313.  
37 (5) For community economic development programs,  
38 tourism operations, community assistance, plans  
39 for Iowa green corps and summer youth programs,  
40 the mainstreet and rural mainstreet programs, the  
41 school-to-career program, the community development  
42 block grant, and housing and shelter-related programs.  
43 (6) For achieving the goals and accountability, and  
44 fulfilling the requirements and duties required under  
45 this Act.  
46 c. Notwithstanding section 8.33, moneys  
47 appropriated in this subsection that remain  
48 unencumbered or unobligated at the close of the fiscal  
49 year shall not revert but shall remain available  
50 for expenditure for the purposes designated in this

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1 subsection until the close of the succeeding fiscal  
2 year.  
3 2. FINANCIAL ASSISTANCE RESTRICTIONS  
4 a. A business creating jobs through moneys  
5 appropriated in subsection 1 shall be subject to  
6 contract provisions requiring new and retained jobs to  
7 be filled by individuals who are citizens of the United  
8 States who reside within the United States or any  
9 person authorized to work in the United States pursuant  
10 to federal law, including legal resident aliens in the  
11 United States.  
12 b. Any vendor who receives moneys appropriated in  
13 subsection 1 shall adhere to such contract provisions  
14 and provide periodic assurances as the state shall  
15 require that the jobs are filled solely by citizens of  
16 the United States who reside within the United States  
17 or any person authorized to work in the United States  
18 pursuant to federal law, including legal resident  
19 aliens in the United States.  
20 c. A business that receives financial assistance  
21 from the authority from moneys appropriated in  
22 subsection 1 shall only employ individuals legally  
23 authorized to work in this state. In addition to all  
24 other applicable penalties provided by current law, all  
25 or a portion of the assistance received by a business  
26 which is found to knowingly employ individuals not  
27 legally authorized to work in this state is subject to  
28 recapture by the authority.  
29 3. USES OF APPROPRIATIONS  
30 a. From the moneys appropriated in subsection 1,  
31 the authority may provide financial assistance in the  
32 form of a grant to a community economic development  
33 entity for conducting a local workforce recruitment  
34 effort designed to recruit former citizens of the state  
35 and former students at colleges and universities in the  
36 state to meet the needs of local employers.  
37 b. From the moneys appropriated in subsection 1,  
38 the authority may provide financial assistance to early  
39 stage industry companies being established by women  
40 entrepreneurs.  
41 c. From the moneys appropriated in subsection 1,  
42 the authority may provide financial assistance in the  
43 form of grants, loans, or forgivable loans for advanced  
44 research and commercialization projects involving  
45 value-added agriculture, advanced technology, or  
46 biotechnology.  
47 d. The authority shall not use any moneys  
48 appropriated in subsection 1 for purposes of providing  
49 financial assistance for the Iowa green streets pilot  
50 project or for any other program or project that

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1 involves the installation of geothermal systems for  
2 melting snow and ice from streets or sidewalks.

3 4. WORLD FOOD PRIZE

4 There is appropriated from the general fund of the  
5 state to the economic development authority for the  
6 fiscal year beginning July 1, 2013, and ending June 30,  
7 2014, the following amount for the world food prize  
8 and in lieu of the standing appropriation in section  
9 15.368, subsection 1:

10 ..... \$ 750,000

11 5. IOWA COMMISSION ON VOLUNTEER SERVICE

12 There is appropriated from the general fund of the  
13 state to the economic development authority for the  
14 fiscal year beginning July 1, 2013, and ending June 30,  
15 2014, the following amount for allocation to the Iowa  
16 commission on volunteer service for purposes of the  
17 Iowa state commission grant program, the Iowa's promise  
18 and Iowa mentoring partnership programs, and for not  
19 more than the following full-time equivalent positions:

20 ..... \$ 178,133

21 ..... FTEs 7.00

22 Of the moneys appropriated in this subsection,  
23 the authority shall allocate \$75,000 for purposes of  
24 the Iowa state commission grant program and \$103,133  
25 for purposes of the Iowa's promise and Iowa mentoring  
26 partnership programs.

27 Notwithstanding section 8.33, moneys appropriated in  
28 this subsection that remain unencumbered or unobligated  
29 at the close of the fiscal year shall not revert but  
30 shall remain available for expenditure for the purposes  
31 designated until the close of the succeeding fiscal  
32 year.

33 6. EMPLOYEE STOCK OWNERSHIP PLANS FORMATION  
34 ASSISTANCE

35 a. There is appropriated from the general fund of  
36 the state to the economic development authority for the  
37 fiscal year beginning July 1, 2013, and ending June 30,  
38 2014, the following amount to be used for the providing  
39 of financial assistance, including establishment of  
40 a loan program, and technical assistance, marketing,  
41 and education to businesses interested in establishing  
42 employee stock ownership plans and for procuring the  
43 services of an independent contractor with expertise in  
44 the formation of the employee stock ownership plans:

45 ..... \$ 400,000

46 Notwithstanding section 8.33, moneys appropriated in  
47 this subsection that remain unencumbered or unobligated  
48 at the close of the fiscal year shall not revert but  
49 shall remain available for expenditure for the purposes  
50 designated until the close of the succeeding fiscal

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1 year. Notwithstanding section 12C.7, subsection 2,  
2 earnings or interest on moneys appropriated pursuant  
3 to this subsection shall be retained by the economic  
4 development authority and used for the purposes  
5 designated until expended.  
6 b. On or before January 15, 2015, the authority  
7 shall submit a report to the general assembly and the  
8 governor's office describing the expenditure of funds  
9 pursuant to this subsection and evaluating the success  
10 of the assistance and promotion program.  
11 7. COUNCILS OF GOVERNMENTS — ASSISTANCE  
12 There is appropriated from the general fund of the  
13 state to the economic development authority for the  
14 fiscal year beginning July 1, 2013, and ending June 30,  
15 2014, the following amount to be used for the purposes  
16 of providing financial assistance to Iowa's councils  
17 of governments:  
18 ..... \$ 175,000  
19 Sec. 4. VISION IOWA PROGRAM — FTE  
20 AUTHORIZATION. For purposes of administrative  
21 duties associated with the vision Iowa program for  
22 the fiscal year beginning July 1, 2013, the economic  
23 development authority is authorized an additional 2.25  
24 FTEs above those otherwise authorized in this division  
25 of this Act.  
26 Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. From  
27 the moneys collected by the division of insurance in  
28 excess of the anticipated gross revenues under section  
29 505.7, subsection 3, during the fiscal year beginning  
30 July 1, 2013, \$100,000 shall be transferred to the  
31 economic development authority for insurance economic  
32 development and international insurance economic  
33 development.  
34 Sec. 6. WORKFORCE DEVELOPMENT FUND. There is  
35 appropriated from the workforce development fund  
36 account created in section 15.342A to the workforce  
37 development fund created in section 15.343 for the  
38 fiscal year beginning July 1, 2013, and ending June  
39 30, 2014, the following amount, for purposes of the  
40 workforce development fund:  
41 ..... \$ 4,000,000  
42 Sec. 7. IOWA STATE UNIVERSITY.  
43 1. There is appropriated from the general fund  
44 of the state to Iowa state university of science  
45 and technology for the fiscal year beginning July  
46 1, 2013, and ending June 30, 2014, the following  
47 amount, or so much thereof as is necessary, to be used  
48 for small business development centers, the science  
49 and technology research park, and the institute for  
50 physical research and technology, and for not more than

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1 the following full-time equivalent positions:  
2 ..... \$ 2,424,302  
3 ..... FTEs 56.63  
4 2. Of the moneys appropriated in subsection 1,  
5 Iowa state university of science and technology shall  
6 allocate at least \$735,728 for purposes of funding  
7 small business development centers. Iowa state  
8 university of science and technology may allocate  
9 moneys appropriated in subsection 1 to the various  
10 small business development centers in any manner  
11 necessary to achieve the purposes of this subsection.  
12 3. Iowa state university of science and technology  
13 shall do all of the following:  
14 a. Direct expenditures for research toward projects  
15 that will provide economic stimulus for Iowa.  
16 b. Provide emphasis to providing services to  
17 Iowa-based companies.  
18 4. It is the intent of the general assembly  
19 that the industrial incentive program focus on Iowa  
20 industrial sectors and seek contributions and in-kind  
21 donations from businesses, industrial foundations, and  
22 trade associations, and that moneys for the institute  
23 for physical research and technology industrial  
24 incentive program shall be allocated only for projects  
25 which are matched by private sector moneys for directed  
26 contract research or for nondirected research. The  
27 match required of small businesses as defined in  
28 section 15.102, subsection 10, for directed contract  
29 research or for nondirected research shall be \$1 for  
30 each \$3 of state funds. The match required for other  
31 businesses for directed contract research or for  
32 nondirected research shall be \$1 for each \$1 of state  
33 funds. The match required of industrial foundations  
34 or trade associations shall be \$1 for each \$1 of state  
35 funds.  
36 Iowa state university of science and technology  
37 shall report annually to the joint appropriations  
38 subcommittee on economic development and the  
39 legislative services agency the total amount of  
40 private contributions, the proportion of contributions  
41 from small businesses and other businesses, and  
42 the proportion for directed contract research and  
43 nondirected research of benefit to Iowa businesses and  
44 industrial sectors.  
45 5. Notwithstanding section 8.33, moneys  
46 appropriated in this section that remain unencumbered  
47 or unobligated at the close of the fiscal year shall  
48 not revert but shall remain available for expenditure  
49 for the purposes designated until the close of the  
50 succeeding fiscal year.

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1     Sec. 8. UNIVERSITY OF IOWA.  
2     1. There is appropriated from the general fund  
3 of the state to the state university of Iowa for the  
4 fiscal year beginning July 1, 2013, and ending June  
5 30, 2014, the following amount, or so much thereof  
6 as is necessary, to be used for the state university  
7 of Iowa research park and for the advanced drug  
8 development program at the Oakdale research park,  
9 including salaries, support, maintenance, equipment,  
10 miscellaneous purposes, and for not more than the  
11 following full-time equivalent positions:  
12 ..... \$     209,279  
13 ..... FTEs     6.00  
14     2. The state university of Iowa shall do all of the  
15 following:  
16     a. Direct expenditures for research toward projects  
17 that will provide economic stimulus for Iowa.  
18     b. Provide emphasis to providing services to  
19 Iowa-based companies.  
20     3. Notwithstanding section 8.33, moneys  
21 appropriated in this section that remain unencumbered  
22 or unobligated at the close of the fiscal year shall  
23 not revert but shall remain available for expenditure  
24 for the purposes designated until the close of the  
25 succeeding fiscal year.  
26     Sec. 9. UNIVERSITY OF NORTHERN IOWA.  
27     1. There is appropriated from the general fund of  
28 the state to the university of northern Iowa for the  
29 fiscal year beginning July 1, 2013, and ending June 30,  
30 2014, the following amount, or so much thereof as is  
31 necessary, to be used for the metal casting institute,  
32 the MyEntreNet internet application, and the institute  
33 of decision making, including salaries, support,  
34 maintenance, miscellaneous purposes, and for not more  
35 than the following full-time equivalent positions:  
36 ..... \$     574,716  
37 ..... FTEs     6.75  
38     2. Of the moneys appropriated pursuant to  
39 subsection 1, the university of northern Iowa shall  
40 allocate at least \$117,639 for purposes of support  
41 of entrepreneurs through the university's regional  
42 business center.  
43     3. The university of northern Iowa shall do all of  
44 the following:  
45     a. Direct expenditures for research toward projects  
46 that will provide economic stimulus for Iowa.  
47     b. Provide emphasis to providing services to  
48 Iowa-based companies.  
49     4. Notwithstanding section 8.33, moneys  
50 appropriated in this section that remain unencumbered

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1 or unobligated at the close of the fiscal year shall  
2 not revert but shall remain available for expenditure  
3 for the purposes designated until the close of the  
4 succeeding fiscal year.  
5 Sec. 10. REGENTS INNOVATION FUND.  
6 1. There is appropriated from the general fund  
7 of the state to the state board of regents for the  
8 fiscal year beginning July 1, 2013, and ending June 30,  
9 2014, the following amount to be used for the purposes  
10 provided in this section:  
11 ..... \$ 3,000,000  
12 Of the moneys appropriated pursuant to this  
13 section, 35 percent shall be allocated for Iowa state  
14 university, 35 percent shall be allocated for the  
15 university of Iowa, and 30 percent shall be allocated  
16 for the university of northern Iowa.  
17 2. The institutions shall use moneys appropriated  
18 in this section for capacity building infrastructure  
19 in areas related to technology commercialization,  
20 marketing and business development efforts in  
21 areas related to technology commercialization,  
22 entrepreneurship, and business growth, and  
23 infrastructure projects and programs needed to assist  
24 in implementation of activities under chapter 262B.  
25 3. The institutions shall provide a one-to-one  
26 match of additional moneys for the activities funded  
27 with moneys appropriated under this section.  
28 4. The state board of regents shall annually submit  
29 a report by January 15 of each year to the governor,  
30 the general assembly, and the legislative services  
31 agency regarding the activities, projects, and programs  
32 funded with moneys allocated under this section. The  
33 report shall be provided in an electronic format and  
34 shall include a list of metrics and criteria mutually  
35 agreed to in advance by the board of regents and  
36 the economic development authority. The metrics and  
37 criteria shall allow the governor's office and the  
38 general assembly to quantify and evaluate the progress  
39 of the board of regents institutions with regard to  
40 their activities, projects, and programs in the areas  
41 of technology commercialization, entrepreneurship,  
42 regional development, and market research.  
43 5. Notwithstanding section 8.33, moneys  
44 appropriated in this section that remain unencumbered  
45 or unobligated at the close of the fiscal year shall  
46 not revert but shall remain available for expenditure  
47 for the purposes designated until the close of the  
48 succeeding fiscal year.  
49 Sec. 11. BOARD OF REGENTS REPORT. The state board  
50 of regents shall submit a report on the progress of

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1 regents institutions in meeting the strategic plan for  
2 technology transfer and economic development to the  
3 secretary of the senate, the chief clerk of the house  
4 of representatives, and the legislative services agency  
5 by January 15, 2014.

6 Sec. 12. IOWA FINANCE AUTHORITY.

7 1. There is appropriated from the general fund  
8 of the state to the Iowa finance authority for the  
9 fiscal year beginning July 1, 2013, and ending June 30,  
10 2014, the following amount, or so much thereof as is  
11 necessary, to be used to provide reimbursement for rent  
12 expenses to eligible persons under the rent subsidy  
13 program:

14 ..... \$ 658,000

15 2. Participation in the rent subsidy program  
16 shall be limited to only those persons who meet the  
17 requirements for the nursing facility level of care for  
18 home and community-based services waiver services as in  
19 effect on July 1, 2013, and to those individuals who  
20 are eligible for the federal money follows the person  
21 grant program under the medical assistance program. Of  
22 the moneys appropriated in this section, not more than  
23 \$35,000 may be used for administrative costs.

24 Sec. 13. IOWA FINANCE AUTHORITY AUDIT. The auditor  
25 of state is requested to review the audit of the Iowa  
26 finance authority performed by the auditor hired by the  
27 authority.

28 Sec. 14. PUBLIC EMPLOYMENT RELATIONS BOARD.

29 1. There is appropriated from the general fund of  
30 the state to the public employment relations board for  
31 the fiscal year beginning July 1, 2013, and ending June  
32 30, 2014, the following amount, or so much thereof as  
33 is necessary, for the purposes designated:

34 For salaries, support, maintenance, miscellaneous  
35 purposes, and for not more than the following full-time  
36 equivalent positions:

37 ..... \$ 1,341,926

38 ..... FTEs 10.00

39 2. Of the moneys appropriated in this section,  
40 the board shall allocate \$15,000 for maintaining a  
41 website that allows searchable access to a database of  
42 collective bargaining information.

43 Sec. 15. DEPARTMENT OF WORKFORCE

44 DEVELOPMENT. There is appropriated from the general  
45 fund of the state to the department of workforce  
46 development for the fiscal year beginning July 1, 2013,  
47 and ending June 30, 2014, the following amounts, or  
48 so much thereof as is necessary, for the purposes  
49 designated:

50 1. DIVISION OF LABOR SERVICES

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1 a. For the division of labor services, including  
2 salaries, support, maintenance, miscellaneous  
3 purposes, and for not more than the following full-time  
4 equivalent positions:  
5 ..... \$ 3,495,440  
6 ..... FTEs 64.00  
7 b. From the contractor registration fees, the  
8 division of labor services shall reimburse the  
9 department of inspections and appeals for all costs  
10 associated with hearings under chapter 91C, relating  
11 to contractor registration.  
12 2. DIVISION OF WORKERS' COMPENSATION  
13 a. For the division of workers' compensation,  
14 including salaries, support, maintenance, miscellaneous  
15 purposes, and for not more than the following full-time  
16 equivalent positions:  
17 ..... \$ 3,109,044  
18 ..... FTEs 30.00  
19 b. The division of workers' compensation shall  
20 charge a \$100 filing fee for workers' compensation  
21 cases. The filing fee shall be paid by the petitioner  
22 of a claim. However, the fee can be taxed as a cost  
23 and paid by the losing party, except in cases where  
24 it would impose an undue hardship or be unjust under  
25 the circumstances. The moneys generated by the filing  
26 fee allowed under this subsection are appropriated to  
27 the department of workforce development to be used for  
28 purposes of administering the division of workers'  
29 compensation.  
30 3. WORKFORCE DEVELOPMENT OPERATIONS  
31 a. For the operation of field offices, the  
32 workforce development board, and for not more than the  
33 following full-time equivalent positions:  
34 ..... \$ 9,179,413  
35 ..... FTEs 130.00  
36 b. Of the moneys appropriated in paragraph "a" of  
37 this subsection, the department shall allocate \$150,000  
38 to the state library for the purpose of licensing an  
39 online resource which prepares persons to succeed in  
40 the workplace through programs which improve job skills  
41 and vocational test-taking abilities.  
42 4. OFFENDER REENTRY PROGRAM  
43 a. For the development and administration of an  
44 offender reentry program to provide offenders with  
45 employment skills, and for not more than the following  
46 full-time equivalent positions:  
47 ..... \$ 284,464  
48 ..... FTEs 4.00  
49 b. The department of workforce development shall  
50 partner with the department of corrections to provide

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1 staff within the correctional facilities to improve  
2 offenders' abilities to find and retain productive  
3 employment.  
4 5. NONREVERSION  
5 Notwithstanding section 8.33, moneys appropriated in  
6 this section that remain unencumbered or unobligated  
7 at the close of the fiscal year shall not revert but  
8 shall remain available for expenditure for the purposes  
9 designated until the close of the succeeding fiscal  
10 year.  
11 Sec. 16. GENERAL FUND — EMPLOYEE MISCLASSIFICATION  
12 PROGRAM. There is appropriated from the general fund  
13 of the state to the department of workforce development  
14 for the fiscal year beginning July 1, 2013, and  
15 ending June 30, 2014, the following amount, or so much  
16 thereof as is necessary, to be used for the purposes  
17 designated:  
18 For enhancing efforts to investigate employers that  
19 misclassify workers and for not more than the following  
20 full-time equivalent positions:  
21 ..... \$ 451,458  
22 ..... FTEs 8.10  
23 Sec. 17. SPECIAL EMPLOYMENT SECURITY CONTINGENCY  
24 FUND.  
25 1. There is appropriated from the special  
26 employment security contingency fund to the department  
27 of workforce development for the fiscal year beginning  
28 July 1, 2013, and ending June 30, 2014, the following  
29 amount, or so much thereof as is necessary, to be used  
30 for field offices:  
31 ..... \$ 1,766,084  
32 2. Any remaining additional penalty and interest  
33 revenue collected by the department of workforce  
34 development is appropriated to the department for the  
35 fiscal year beginning July 1, 2013, and ending June 30,  
36 2014, to accomplish the mission of the department.  
37 Sec. 18. UNEMPLOYMENT COMPENSATION RESERVE FUND  
38 — FIELD OFFICES. Notwithstanding section 96.9,  
39 subsection 8, paragraph "e", there is appropriated  
40 from interest earned on the unemployment compensation  
41 reserve fund to the department of workforce development  
42 for the fiscal year beginning July 1, 2013, and ending  
43 June 30, 2014, the following amount or so much thereof  
44 as is necessary, for the purposes designated:  
45 For the operation of field offices:  
46 ..... \$ 494,000  
47 Sec. 19. VIRTUAL ACCESS WORKFORCE DEVELOPMENT  
48 OFFICES. The department of workforce development shall  
49 require a unique identification login for all users  
50 of workforce development centers operated through

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1 electronic means.

2     Sec. 20. UNEMPLOYMENT COMPENSATION PROGRAM. Notwithstanding  
3 section 96.9, subsection 4, paragraph "a", moneys  
4 credited to the state by the secretary of the treasury  
5 of the United States pursuant to section 903 of  
6 the Social Security Act are appropriated to the  
7 department of workforce development and shall be  
8 used by the department for the administration of  
9 the unemployment compensation program only. This  
10 appropriation shall not apply to any fiscal year  
11 beginning after December 31, 2013.

12                     DIVISION II

13                     FY 2014-2015

14     Sec. 21. DEPARTMENT OF CULTURAL AFFAIRS.

15     1. There is appropriated from the general fund of  
16 the state to the department of cultural affairs for the  
17 fiscal year beginning July 1, 2014, and ending June 30,  
18 2015, the following amounts, or so much thereof as is  
19 necessary, to be used for the purposes designated:

20         a. ADMINISTRATION

21         For salaries, support, maintenance, miscellaneous  
22 purposes, and for not more than the following full-time  
23 equivalent positions for the department:

24 ..... \$ 146,041  
25 ..... FTEs 74.50

26         The department of cultural affairs shall coordinate  
27 activities with the tourism office of the economic  
28 development authority to promote attendance at the  
29 state historical building and at this state's historic  
30 sites.

31         Full-time equivalent positions authorized under this  
32 subsection shall be funded, in full or in part, using  
33 moneys appropriated under this paragraph and paragraphs  
34 "c" through "g".

35         b. COMMUNITY CULTURAL GRANTS

36         For planning and programming for the community  
37 cultural grants program established under section  
38 303.3:

39 ..... \$ 146,277

40         c. HISTORICAL DIVISION

41         For the support of the historical division:

42 ..... \$ 2,565,046

43         d. HISTORIC SITES

44         For the administration and support of historic  
45 sites:

46 ..... \$ 362,438

47         e. ARTS DIVISION

48         For the support of the arts division:

49 ..... \$ 1,048,699

50         f. IOWA GREAT PLACES

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1 For the Iowa great places program established under  
2 section 303.3C:  
3 ..... \$ 127,500  
4 g. ARCHIVE IOWA GOVERNORS' RECORDS  
5 For archiving the records of Iowa governors:  
6 ..... \$ 56,043  
7 h. RECORDS CENTER RENT  
8 For payment of rent for the state records center:  
9 ..... \$ 193,157  
10 i. BATTLE FLAGS  
11 For continuation of the project recommended by the  
12 Iowa battle flag advisory committee to stabilize the  
13 condition of the battle flag collection:  
14 ..... \$ 79,900  
15 2. Notwithstanding section 8.33, moneys  
16 appropriated in this section that remain unencumbered  
17 or unobligated at the close of the fiscal year shall  
18 not revert but shall remain available for expenditure  
19 for the purposes designated until the close of the  
20 succeeding fiscal year.  
21 Sec. 22. GOALS AND ACCOUNTABILITY — ECONOMIC  
22 DEVELOPMENT.  
23 1. For the fiscal year beginning July 1, 2014, the  
24 goals for the economic development authority shall be  
25 to expand and stimulate the state economy, increase the  
26 wealth of Iowans, and increase the population of the  
27 state.  
28 2. To achieve the goals in subsection 1, the  
29 economic development authority shall do all of the  
30 following for the fiscal year beginning July 1, 2014:  
31 a. Concentrate its efforts on programs and  
32 activities that result in commercially viable products  
33 and services.  
34 b. Adopt practices and services consistent with  
35 free market, private sector philosophies.  
36 c. Ensure economic growth and development  
37 throughout the state.  
38 d. Work with businesses and communities to  
39 continually improve the economic development climate  
40 along with the economic well-being and quality of life  
41 for Iowans.  
42 e. Coordinate with other state agencies to  
43 ensure that they are attentive to the needs of an  
44 entrepreneurial culture.  
45 f. Establish a strong and aggressive marketing  
46 image to showcase Iowa's workforce, existing industry,  
47 and potential. A priority shall be placed on  
48 recruiting new businesses, business expansion, and  
49 retaining existing Iowa businesses. Emphasis shall be  
50 placed on entrepreneurial development through helping

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1 entrepreneurs secure capital, and developing networks  
2 and a business climate conducive to entrepreneurs and  
3 small businesses.  
4 g. Encourage the development of communities and  
5 quality of life to foster economic growth.  
6 h. Prepare communities for future growth and  
7 development through development, expansion, and  
8 modernization of infrastructure.  
9 i. Develop public-private partnerships with  
10 Iowa businesses in the tourism industry, Iowa tour  
11 groups, Iowa tourism organizations, and political  
12 subdivisions in this state to assist in the development  
13 of advertising efforts.  
14 j. Develop, to the fullest extent possible,  
15 cooperative efforts for advertising with contributions  
16 from other sources.  
17 Sec. 23. ECONOMIC DEVELOPMENT AUTHORITY.  
18 1. APPROPRIATION  
19 a. There is appropriated from the general fund of  
20 the state to the economic development authority for the  
21 fiscal year beginning July 1, 2014, and ending June 30,  
22 2015, the following amount, or so much thereof as is  
23 necessary, to be used for the purposes designated in  
24 this subsection, and for not more than the following  
25 full-time equivalent positions:  
26 ..... \$ 11,240,760  
27 ..... FTEs 149.00  
28 b. (1) For salaries, support, miscellaneous  
29 purposes, programs, marketing, and the maintenance of  
30 an administration division, a business development  
31 division, a community development division, a small  
32 business development division, and other divisions the  
33 authority may organize.  
34 (2) The full-time equivalent positions authorized  
35 under this section shall be funded, in whole or in  
36 part, by the moneys appropriated under this subsection  
37 or by other moneys received by the authority, including  
38 certain federal moneys.  
39 (3) For business development operations and  
40 programs, international trade, export assistance,  
41 workforce recruitment, and the partner state program.  
42 (4) For transfer to the strategic investment fund  
43 created in section 15.313.  
44 (5) For community economic development programs,  
45 tourism operations, community assistance, plans  
46 for Iowa green corps and summer youth programs,  
47 the mainstreet and rural mainstreet programs, the  
48 school-to-career program, the community development  
49 block grant, and housing and shelter-related programs.  
50 (6) For achieving the goals and accountability, and

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1 fulfilling the requirements and duties required under  
2 this Act.  
3 c. Notwithstanding section 8.33, moneys  
4 appropriated in this subsection that remain  
5 unencumbered or unobligated at the close of the fiscal  
6 year shall not revert but shall remain available  
7 for expenditure for the purposes designated in this  
8 subsection until the close of the succeeding fiscal  
9 year.  
10 2. FINANCIAL ASSISTANCE RESTRICTIONS  
11 a. A business creating jobs through moneys  
12 appropriated in subsection 1 shall be subject to  
13 contract provisions requiring new and retained jobs to  
14 be filled by individuals who are citizens of the United  
15 States who reside within the United States or any  
16 person authorized to work in the United States pursuant  
17 to federal law, including legal resident aliens in the  
18 United States.  
19 b. Any vendor who receives moneys appropriated in  
20 subsection 1 shall adhere to such contract provisions  
21 and provide periodic assurances as the state shall  
22 require that the jobs are filled solely by citizens of  
23 the United States who reside within the United States  
24 or any person authorized to work in the United States  
25 pursuant to federal law, including legal resident  
26 aliens in the United States.  
27 c. A business that receives financial assistance  
28 from the authority from moneys appropriated in  
29 subsection 1 shall only employ individuals legally  
30 authorized to work in this state. In addition to all  
31 other applicable penalties provided by current law, all  
32 or a portion of the assistance received by a business  
33 which is found to knowingly employ individuals not  
34 legally authorized to work in this state is subject to  
35 recapture by the authority.  
36 3. USES OF APPROPRIATIONS  
37 a. From the moneys appropriated in subsection 1,  
38 the authority may provide financial assistance in the  
39 form of a grant to a community economic development  
40 entity for conducting a local workforce recruitment  
41 effort designed to recruit former citizens of the state  
42 and former students at colleges and universities in the  
43 state to meet the needs of local employers.  
44 b. From the moneys appropriated in subsection 1,  
45 the authority may provide financial assistance to early  
46 stage industry companies being established by women  
47 entrepreneurs.  
48 c. From the moneys appropriated in subsection 1,  
49 the authority may provide financial assistance in the  
50 form of grants, loans, or forgivable loans for advanced

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1 research and commercialization projects involving  
2 value-added agriculture, advanced technology, or  
3 biotechnology.  
4 d. The authority shall not use any moneys  
5 appropriated in subsection 1 for purposes of providing  
6 financial assistance for the Iowa green streets pilot  
7 project or for any other program or project that  
8 involves the installation of geothermal systems for  
9 melting snow and ice from streets or sidewalks.  
10 4. WORLD FOOD PRIZE  
11 There is appropriated from the general fund of the  
12 state to the economic development authority for the  
13 fiscal year beginning July 1, 2014, and ending June 30,  
14 2015, the following amount for the world food prize  
15 and in lieu of the standing appropriation in section  
16 15.368, subsection 1:  
17 ..... \$ 637,500  
18 5. IOWA COMMISSION ON VOLUNTEER SERVICE  
19 There is appropriated from the general fund of the  
20 state to the economic development authority for the  
21 fiscal year beginning July 1, 2014, and ending June 30,  
22 2015, the following amount for allocation to the Iowa  
23 commission on volunteer service for purposes of the  
24 Iowa state commission grant program, the Iowa's promise  
25 and Iowa mentoring partnership programs, and for not  
26 more than the following full-time equivalent positions:  
27 ..... \$ 151,413  
28 ..... FTEs 7.00  
29 Of the moneys appropriated in this subsection,  
30 the authority shall allocate \$63,750 for purposes of  
31 the Iowa state commission grant program and \$87,663  
32 for purposes of the Iowa's promise and Iowa mentoring  
33 partnership programs.  
34 Notwithstanding section 8.33, moneys appropriated in  
35 this subsection that remain unencumbered or unobligated  
36 at the close of the fiscal year shall not revert but  
37 shall remain available for expenditure for the purposes  
38 designated until the close of the succeeding fiscal  
39 year.  
40 6. EMPLOYEE STOCK OWNERSHIP PLANS FORMATION  
41 ASSISTANCE  
42 There is appropriated from the general fund of the  
43 state to the economic development authority for the  
44 fiscal year beginning July 1, 2014, and ending June 30,  
45 2015, the following amount to be used for the providing  
46 of financial assistance, including establishment of  
47 a loan program, and technical assistance, marketing,  
48 and education to businesses interested in establishing  
49 employee stock ownership plans and for procuring the  
50 services of an independent contractor with expertise in

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1 the formation of the employee stock ownership plans:  
2 ..... \$ 340,000  
3 Notwithstanding section 8.33, moneys appropriated in  
4 this subsection that remain unencumbered or unobligated  
5 at the close of the fiscal year shall not revert but  
6 shall remain available for expenditure for the purposes  
7 designated until the close of the succeeding fiscal  
8 year. Notwithstanding section 12C.7, subsection 2,  
9 earnings or interest on moneys appropriated pursuant  
10 to this subsection shall be retained by the economic  
11 development authority and used for the purposes  
12 designated until expended.  
13 7. COUNCILS OF GOVERNMENTS — ASSISTANCE  
14 There is appropriated from the general fund of the  
15 state to the economic development authority for the  
16 fiscal year beginning July 1, 2014, and ending June 30,  
17 2015, the following amount to be used for the purposes  
18 of providing financial assistance to Iowa's councils  
19 of governments:  
20 ..... \$ 148,750  
21 Sec. 24. VISION IOWA PROGRAM — FTE  
22 AUTHORIZATION. For purposes of administrative  
23 duties associated with the vision Iowa program for  
24 the fiscal year beginning July 1, 2014, the economic  
25 development authority is authorized an additional 2.25  
26 FTEs above those otherwise authorized in this division  
27 of this Act.  
28 Sec. 25. INSURANCE ECONOMIC DEVELOPMENT. From  
29 the moneys collected by the division of insurance in  
30 excess of the anticipated gross revenues under section  
31 505.7, subsection 3, during the fiscal year beginning  
32 July 1, 2014, \$100,000 shall be transferred to the  
33 economic development authority for insurance economic  
34 development and international insurance economic  
35 development.  
36 Sec. 26. WORKFORCE DEVELOPMENT FUND. There is  
37 appropriated from the workforce development fund  
38 account created in section 15.342A to the workforce  
39 development fund created in section 15.343 for the  
40 fiscal year beginning July 1, 2014, and ending June  
41 30, 2015, the following amount, for purposes of the  
42 workforce development fund:  
43 ..... \$ 3,400,000  
44 Sec. 27. IOWA STATE UNIVERSITY.  
45 1. There is appropriated from the general fund  
46 of the state to Iowa state university of science  
47 and technology for the fiscal year beginning July  
48 1, 2014, and ending June 30, 2015, the following  
49 amount, or so much thereof as is necessary, to be used  
50 for small business development centers, the science

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1 and technology research park, and the institute for  
2 physical research and technology, and for not more than  
3 the following full-time equivalent positions:  
4 ..... \$ 2,060,657  
5 ..... FTEs 56.63  
6 2. Of the moneys appropriated in subsection 1,  
7 Iowa state university of science and technology shall  
8 allocate at least \$625,369 for purposes of funding  
9 small business development centers. Iowa state  
10 university of science and technology may allocate  
11 moneys appropriated in subsection 1 to the various  
12 small business development centers in any manner  
13 necessary to achieve the purposes of this subsection.  
14 3. Iowa state university of science and technology  
15 shall do all of the following:  
16 a. Direct expenditures for research toward projects  
17 that will provide economic stimulus for Iowa.  
18 b. Provide emphasis to providing services to  
19 Iowa-based companies.  
20 4. It is the intent of the general assembly  
21 that the industrial incentive program focus on Iowa  
22 industrial sectors and seek contributions and in-kind  
23 donations from businesses, industrial foundations, and  
24 trade associations, and that moneys for the institute  
25 for physical research and technology industrial  
26 incentive program shall be allocated only for projects  
27 which are matched by private sector moneys for directed  
28 contract research or for nondirected research. The  
29 match required of small businesses as defined in  
30 section 15.102, subsection 10, for directed contract  
31 research or for nondirected research shall be \$1 for  
32 each \$3 of state funds. The match required for other  
33 businesses for directed contract research or for  
34 nondirected research shall be \$1 for each \$1 of state  
35 funds. The match required of industrial foundations  
36 or trade associations shall be \$1 for each \$1 of state  
37 funds.  
38 Iowa state university of science and technology  
39 shall report annually to the joint appropriations  
40 subcommittee on economic development and the  
41 legislative services agency the total amount of  
42 private contributions, the proportion of contributions  
43 from small businesses and other businesses, and  
44 the proportion for directed contract research and  
45 nondirected research of benefit to Iowa businesses and  
46 industrial sectors.  
47 5. Notwithstanding section 8.33, moneys  
48 appropriated in this section that remain unencumbered  
49 or unobligated at the close of the fiscal year shall  
50 not revert but shall remain available for expenditure

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1 for the purposes designated until the close of the  
2 succeeding fiscal year.

3 Sec. 28. UNIVERSITY OF IOWA.

4 1. There is appropriated from the general fund  
5 of the state to the state university of Iowa for the  
6 fiscal year beginning July 1, 2014, and ending June  
7 30, 2015, the following amount, or so much thereof  
8 as is necessary, to be used for the state university  
9 of Iowa research park and for the advanced drug  
10 development program at the Oakdale research park,  
11 including salaries, support, maintenance, equipment,  
12 miscellaneous purposes, and for not more than the  
13 following full-time equivalent positions:

14 ..... \$ 177,887  
15 ..... FTEs 6.00

16 2. The state university of Iowa shall do all of the  
17 following:

18 a. Direct expenditures for research toward projects  
19 that will provide economic stimulus for Iowa.

20 b. Provide emphasis to providing services to  
21 Iowa-based companies.

22 3. Notwithstanding section 8.33, moneys  
23 appropriated in this section that remain unencumbered  
24 or unobligated at the close of the fiscal year shall  
25 not revert but shall remain available for expenditure  
26 for the purposes designated until the close of the  
27 succeeding fiscal year.

28 Sec. 29. UNIVERSITY OF NORTHERN IOWA.

29 1. There is appropriated from the general fund of  
30 the state to the university of northern Iowa for the  
31 fiscal year beginning July 1, 2014, and ending June 30,  
32 2015, the following amount, or so much thereof as is  
33 necessary, to be used for the metal casting institute,  
34 the MyEntreNet internet application, and the institute  
35 of decision making, including salaries, support,  
36 maintenance, miscellaneous purposes, and for not more  
37 than the following full-time equivalent positions:

38 ..... \$ 488,509  
39 ..... FTEs 6.75

40 2. Of the moneys appropriated pursuant to  
41 subsection 1, the university of northern Iowa shall  
42 allocate at least \$99,993 for purposes of support  
43 of entrepreneurs through the university's regional  
44 business center.

45 3. The university of northern Iowa shall do all of  
46 the following:

47 a. Direct expenditures for research toward projects  
48 that will provide economic stimulus for Iowa.

49 b. Provide emphasis to providing services to  
50 Iowa-based companies.

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1 4. Notwithstanding section 8.33, moneys  
2 appropriated in this section that remain unencumbered  
3 or unobligated at the close of the fiscal year shall  
4 not revert but shall remain available for expenditure  
5 for the purposes designated until the close of the  
6 succeeding fiscal year.  
7 Sec. 30. REGENTS INNOVATION FUND.  
8 1. There is appropriated from the general fund  
9 of the state to the state board of regents for the  
10 fiscal year beginning July 1, 2014, and ending June 30,  
11 2015, the following amount to be used for the purposes  
12 provided in this section:  
13 ..... \$ 2,550,000  
14 Of the moneys appropriated pursuant to this  
15 section, 35 percent shall be allocated for Iowa state  
16 university, 35 percent shall be allocated for the  
17 university of Iowa, and 30 percent shall be allocated  
18 for the university of northern Iowa.  
19 2. The institutions shall use moneys appropriated  
20 in this section for capacity building infrastructure  
21 in areas related to technology commercialization,  
22 marketing and business development efforts in  
23 areas related to technology commercialization,  
24 entrepreneurship, and business growth, and  
25 infrastructure projects and programs needed to assist  
26 in implementation of activities under chapter 262B.  
27 3. The institutions shall provide a one-to-one  
28 match of additional moneys for the activities funded  
29 with moneys appropriated under this section.  
30 4. The state board of regents shall annually submit  
31 a report by January 15 of each year to the governor,  
32 the general assembly, and the legislative services  
33 agency regarding the activities, projects, and programs  
34 funded with moneys allocated under this section. The  
35 report shall be provided in an electronic format and  
36 shall include a list of metrics and criteria mutually  
37 agreed to in advance by the board of regents and  
38 the economic development authority. The metrics and  
39 criteria shall allow the governor's office and the  
40 general assembly to quantify and evaluate the progress  
41 of the board of regents institutions with regard to  
42 their activities, projects, and programs in the areas  
43 of technology commercialization, entrepreneurship,  
44 regional development, and market research.  
45 5. Notwithstanding section 8.33, moneys  
46 appropriated in this section that remain unencumbered  
47 or unobligated at the close of the fiscal year shall  
48 not revert but shall remain available for expenditure  
49 for the purposes designated until the close of the  
50 succeeding fiscal year.

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1     Sec. 31. BOARD OF REGENTS REPORT. The state board  
2 of regents shall submit a report on the progress of  
3 regents institutions in meeting the strategic plan for  
4 technology transfer and economic development to the  
5 secretary of the senate, the chief clerk of the house  
6 of representatives, and the legislative services agency  
7 by January 15, 2015.

8     Sec. 32. IOWA FINANCE AUTHORITY.

9     1. There is appropriated from the general fund  
10 of the state to the Iowa finance authority for the  
11 fiscal year beginning July 1, 2014, and ending June 30,  
12 2015, the following amount, or so much thereof as is  
13 necessary, to be used to provide reimbursement for rent  
14 expenses to eligible persons under the rent subsidy  
15 program:  
16 ..... \$     559,300

17     2. Participation in the rent subsidy program  
18 shall be limited to only those persons who meet the  
19 requirements for the nursing facility level of care for  
20 home and community-based services waiver services as in  
21 effect on July 1, 2014, and to those individuals who  
22 are eligible for the federal money follows the person  
23 grant program under the medical assistance program. Of  
24 the moneys appropriated in this section, not more than  
25 \$35,000 may be used for administrative costs.

26     Sec. 33. IOWA FINANCE AUTHORITY AUDIT. The auditor  
27 of state is requested to review the audit of the Iowa  
28 finance authority performed by the auditor hired by the  
29 authority.

30     Sec. 34. PUBLIC EMPLOYMENT RELATIONS BOARD.

31     1. There is appropriated from the general fund of  
32 the state to the public employment relations board for  
33 the fiscal year beginning July 1, 2014, and ending June  
34 30, 2015, the following amount, or so much thereof as  
35 is necessary, for the purposes designated:  
36     For salaries, support, maintenance, miscellaneous  
37 purposes, and for not more than the following full-time  
38 equivalent positions:  
39 ..... \$   1,140,637  
40 ..... FTEs       10.00

41     2. Of the moneys appropriated in this section,  
42 the board shall allocate \$15,000 for maintaining a  
43 website that allows searchable access to a database of  
44 collective bargaining information.

45     Sec. 35. DEPARTMENT OF WORKFORCE  
46 DEVELOPMENT. There is appropriated from the general  
47 fund of the state to the department of workforce  
48 development for the fiscal year beginning July 1, 2014,  
49 and ending June 30, 2015, the following amounts, or  
50 so much thereof as is necessary, for the purposes

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1 designated:  
2 1. DIVISION OF LABOR SERVICES  
3 a. For the division of labor services, including  
4 salaries, support, maintenance, miscellaneous  
5 purposes, and for not more than the following full-time  
6 equivalent positions:  
7 ..... \$ 2,971,124  
8 ..... FTEs 64.00  
9 b. From the contractor registration fees, the  
10 division of labor services shall reimburse the  
11 department of inspections and appeals for all costs  
12 associated with hearings under chapter 91C, relating  
13 to contractor registration.  
14 2. DIVISION OF WORKERS' COMPENSATION  
15 a. For the division of workers' compensation,  
16 including salaries, support, maintenance, miscellaneous  
17 purposes, and for not more than the following full-time  
18 equivalent positions:  
19 ..... \$ 2,642,687  
20 ..... FTEs 30.00  
21 b. The division of workers' compensation shall  
22 charge a \$100 filing fee for workers' compensation  
23 cases. The filing fee shall be paid by the petitioner  
24 of a claim. However, the fee can be taxed as a cost  
25 and paid by the losing party, except in cases where  
26 it would impose an undue hardship or be unjust under  
27 the circumstances. The moneys generated by the filing  
28 fee allowed under this subsection are appropriated to  
29 the department of workforce development to be used for  
30 purposes of administering the division of workers'  
31 compensation.  
32 3. WORKFORCE DEVELOPMENT OPERATIONS  
33 a. For the operation of field offices, the  
34 workforce development board, and for not more than the  
35 following full-time equivalent positions:  
36 ..... \$ 7,802,501  
37 ..... FTEs 130.00  
38 b. Of the moneys appropriated in paragraph "a" of  
39 this subsection, the department shall allocate \$150,000  
40 to the state library for the purpose of licensing an  
41 online resource which prepares persons to succeed in  
42 the workplace through programs which improve job skills  
43 and vocational test-taking abilities.  
44 4. OFFENDER REENTRY PROGRAM  
45 a. For the development and administration of an  
46 offender reentry program to provide offenders with  
47 employment skills, and for not more than the following  
48 full-time equivalent positions:  
49 ..... \$ 241,794  
50 ..... FTEs 4.00

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1     b. The department of workforce development shall  
2 partner with the department of corrections to provide  
3 staff within the correctional facilities to improve  
4 offenders' abilities to find and retain productive  
5 employment.  
6     5. NONREVERSION  
7     Notwithstanding section 8.33, moneys appropriated in  
8 this section that remain unencumbered or unobligated  
9 at the close of the fiscal year shall not revert but  
10 shall remain available for expenditure for the purposes  
11 designated until the close of the succeeding fiscal  
12 year.  
13     Sec. 36. GENERAL FUND — EMPLOYEE MISCLASSIFICATION  
14 PROGRAM. There is appropriated from the general fund  
15 of the state to the department of workforce development  
16 for the fiscal year beginning July 1, 2014, and  
17 ending June 30, 2015, the following amount, or so much  
18 thereof as is necessary, to be used for the purposes  
19 designated:  
20     For enhancing efforts to investigate employers that  
21 misclassify workers and for not more than the following  
22 full-time equivalent positions:  
23     ..... \$     383,739  
24     ..... FTEs     8.10  
25     Sec. 37. SPECIAL EMPLOYMENT SECURITY CONTINGENCY  
26 FUND.  
27     1. There is appropriated from the special  
28 employment security contingency fund to the department  
29 of workforce development for the fiscal year beginning  
30 July 1, 2014, and ending June 30, 2015, the following  
31 amount, or so much thereof as is necessary, to be used  
32 for field offices:  
33     ..... \$   1,501,171  
34     2. Any remaining additional penalty and interest  
35 revenue collected by the department of workforce  
36 development is appropriated to the department for the  
37 fiscal year beginning July 1, 2014, and ending June 30,  
38 2015, to accomplish the mission of the department.  
39     Sec. 38. UNEMPLOYMENT COMPENSATION RESERVE FUND  
40 — FIELD OFFICES. Notwithstanding section 96.9,  
41 subsection 8, paragraph "e", there is appropriated  
42 from interest earned on the unemployment compensation  
43 reserve fund to the department of workforce development  
44 for the fiscal year beginning July 1, 2014, and ending  
45 June 30, 2015, the following amount or so much thereof  
46 as is necessary, for the purposes designated:  
47     For the operation of field offices:  
48     ..... \$     419,900  
49     Sec. 39. VIRTUAL ACCESS WORKFORCE DEVELOPMENT  
50 OFFICES. The department of workforce development shall

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1 require a unique identification login for all users  
2 of workforce development centers operated through  
3 electronic means.

4 Sec. 40. UNEMPLOYMENT COMPENSATION PROGRAM. Notwithstanding  
5 section 96.9, subsection 4, paragraph "a", moneys  
6 credited to the state by the secretary of the treasury  
7 of the United States pursuant to section 903 of  
8 the Social Security Act are appropriated to the  
9 department of workforce development and shall be  
10 used by the department for the administration of  
11 the unemployment compensation program only. This  
12 appropriation shall not apply to any fiscal year  
13 beginning after December 31, 2014.

14 DIVISION III  
15 MISCELLANEOUS PROVISIONS

16 Sec. 41. Section 15.251, Code 2013, is amended to  
17 read as follows:

18 15.251 Industrial new job training program  
19 certificates — fee.

20 The authority may charge, within thirty days  
21 following the sale of certificates under chapter 260E,  
22 the board of directors of the merged area a fee of  
23 up to one percent of the gross sale amount of the  
24 certificates issued. The amount of this fee shall be  
25 deposited and allowed to accumulate in a job training  
26 fund created in the authority. ~~At the end of each~~  
27 ~~fiscal year, all funds deposited under this subsection~~  
28 ~~into the job training fund during the fiscal year~~  
29 ~~shall be transferred to the workforce development fund~~  
30 ~~account established in section 15.342A~~ Moneys in the  
31 fund are appropriated to the authority for purposes  
32 of workforce development program coordination and  
33 activities including salaries, support, maintenance,  
34 legal and compliance, and miscellaneous purposes.

35 Sec. 42. Section 90A.7, Code 2013, is amended to  
36 read as follows:

37 90A.7 Rules.

38 1. The commissioner shall adopt rules, pursuant  
39 to chapter 17A, that the commissioner determines are  
40 reasonably necessary to administer and enforce this  
41 chapter.

42 2. The commissioner shall adopt rules establishing  
43 an event fee to cover the costs of the administration  
44 of this chapter.

45 3. The commissioner may adopt the rules of a  
46 recognized national or world boxing organization that  
47 sanctions a boxing match in this state to regulate the  
48 match if the organization's rules provide protection to  
49 the boxers participating in the match which is equal  
50 to or greater than the protections provided by this

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1 chapter or by rules adopted pursuant to this chapter.  
2 As used in this paragraph, "*recognized national or world*  
3 *boxing organization*" includes, but is not limited to,  
4 the international boxing federation, the world boxing  
5 association, and the world boxing council.  
6 Sec. 43. Section 90A.10, subsection 1, Code 2013,  
7 is amended to read as follows:  
8 1. Moneys collected pursuant to ~~sections 90A.3 and~~  
9 ~~section 90A.9 in excess of the amount of moneys needed~~  
10 ~~to administer this chapter~~ from a professional boxing  
11 event are appropriated to the department of workforce  
12 development and shall be used by the commissioner to  
13 award grants to organizations that promote amateur  
14 boxing matches in this state. All other moneys  
15 collected by the commissioner pursuant to this chapter  
16 are appropriated to the department of workforce  
17 development and shall be used by the commissioner to  
18 administer this chapter. Section 8.33 applies only to  
19 moneys in excess of the first twenty thousand dollars  
20 appropriated each fiscal year.  
21 Sec. 44. 2005 Iowa Acts, chapter 169, section 5,  
22 subsection 6, is amended to read as follows:  
23 6. GREAT PLACES  
24 a. For salaries, support, maintenance, and  
25 miscellaneous purposes:  
26 ..... \$ 200,000  
27 b. Notwithstanding section 8.33, moneys  
28 appropriated in this subsection that remain  
29 unencumbered or unobligated at the close of the fiscal  
30 year shall not revert but shall remain available  
31 for expenditure for the purposes designated in this  
32 subsection for succeeding fiscal years.  
33 Sec. 45. 2006 Iowa Acts, chapter 1180, section 5,  
34 subsection 6, as amended by 2007 Iowa Acts, chapter  
35 215, section 45, is amended to read as follows:  
36 6. GREAT PLACES  
37 For salaries, support, maintenance, miscellaneous  
38 purposes, and for not more than the following full-time  
39 equivalent positions:  
40 ..... \$ 300,000  
41 ..... FTEs 1.70  
42 Notwithstanding section 8.33, moneys appropriated in  
43 this subsection that remain unencumbered or unobligated  
44 at the close of the fiscal year shall not revert but  
45 shall remain available for expenditure for the purposes  
46 designated ~~until the close of the~~ for succeeding fiscal  
47 year years.  
48 Sec. 46. 2007 Iowa Acts, chapter 212, section 1,  
49 subsection 6, as amended by 2007 Iowa Acts, chapter  
50 215, section 46, is amended to read as follows:

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1     6. GREAT PLACES  
2     For salaries, support, maintenance, miscellaneous  
3 purposes, and for not more than the following full-time  
4 equivalent positions:  
5 ..... \$     305,794  
6 ..... FTEs     3.00  
7     Notwithstanding section 8.33, moneys appropriated in  
8 this subsection that remain unencumbered or unobligated  
9 at the close of the fiscal year shall not revert but  
10 shall remain available for expenditure for the purposes  
11 designated ~~until the close of the~~ for succeeding fiscal  
12 ~~year years.~~  
13     Sec. 47. 2008 Iowa Acts, chapter 1190, section 1,  
14 subsection 6, is amended to read as follows:  
15     6. GREAT PLACES  
16     a. For salaries, support, maintenance,  
17 miscellaneous purposes, and for not more than the  
18 following full-time equivalent positions:  
19 ..... \$     322,231  
20 ..... FTEs     3.00  
21     b. Notwithstanding section 8.33, moneys  
22 appropriated in this subsection that remain  
23 unencumbered or unobligated at the close of the fiscal  
24 year shall not revert but shall remain available  
25 for expenditure for the purposes designated in this  
26 subsection for succeeding fiscal years.  
27     Sec. 48. 2009 Iowa Acts, chapter 176, section 1,  
28 subsection 6, is amended to read as follows:  
29     6. GREAT PLACES  
30     a. For the great places program:  
31 ..... \$     248,060  
32     b. Notwithstanding section 8.33, moneys  
33 appropriated in this subsection that remain  
34 unencumbered or unobligated at the close of the fiscal  
35 year shall not revert but shall remain available  
36 for expenditure for the purposes designated in this  
37 subsection for succeeding fiscal years.  
38     Sec. 49. 2010 Iowa Acts, chapter 1188, section 1,  
39 subsection 6, is amended to read as follows:  
40     6. GREAT PLACES  
41     a. For the great places program:  
42 ..... \$     214,869  
43     b. Notwithstanding section 8.33, moneys  
44 appropriated in this subsection that remain  
45 unencumbered or unobligated at the close of the fiscal  
46 year shall not revert but shall remain available  
47 for expenditure for the purposes designated in this  
48 subsection for succeeding fiscal years.  
49     Sec. 50. 2011 Iowa Acts, chapter 130, section 1,  
50 subsection 6, is amended to read as follows:

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1     6. IOWA GREAT PLACES  
2     a. For the Iowa great places program established  
3 under section 303.3C:  
4 ..... \$     150,000  
5     b. Notwithstanding section 8.33, moneys  
6 appropriated in this subsection that remain  
7 unencumbered or unobligated at the close of the fiscal  
8 year shall not revert but shall remain available  
9 for expenditure for the purposes designated in this  
10 subsection for succeeding fiscal years.  
11     Sec. 51. 2011 Iowa Acts, chapter 130, section 48,  
12 as amended by 2012 Iowa Acts, chapter 1136, section 1,  
13 is amended by adding the following new subsection:  
14     NEW SUBSECTION. 10. Notwithstanding section  
15 8.33, moneys appropriated in this section that remain  
16 unencumbered or unobligated at the close of the fiscal  
17 year shall not revert but shall remain available for  
18 expenditure for the purposes designated in this section  
19 for succeeding fiscal years.  
20     Sec. 52. 2011 Iowa Acts, chapter 130, section 67,  
21 subsection 2, is amended to read as follows:  
22     2. Participation in the rent subsidy program  
23 shall be limited to only those persons who meet the  
24 requirements for the nursing facility level of care for  
25 home and community-based services waiver services as in  
26 effect on July 1, ~~2011~~ 2012, and to those individuals  
27 who are eligible for the federal money follows the  
28 person grant program under the medical assistance  
29 program. Of the moneys appropriated in this section,  
30 not more than \$35,000 may be used for administrative  
31 costs.  
32     Sec. 53. 2012 Iowa Acts, chapter 1136, section 17,  
33 is amended by adding the following new subsection:  
34     NEW SUBSECTION. 5. Notwithstanding section  
35 8.33, moneys appropriated in this section that remain  
36 unencumbered or unobligated at the close of the fiscal  
37 year shall not revert but shall remain available for  
38 expenditure for the purposes designated until the close  
39 of the succeeding fiscal year.  
40     Sec. 54. EFFECTIVE UPON ENACTMENT. The sections  
41 of this division of this Act amending 2011 Iowa Acts,  
42 chapter 130, section 48, and 2012 Iowa Acts, chapter  
43 1136, section 17, being deemed of immediate importance,  
44 take effect upon enactment.  
45     Sec. 55. RETROACTIVE APPLICABILITY. The section of  
46 this Act amending 2005 Iowa Acts, chapter 169, applies  
47 retroactively to July 1, 2005.  
48     Sec. 56. RETROACTIVE APPLICABILITY. The section of  
49 this Act amending 2006 Iowa Acts, chapter 1180, applies  
50 retroactively to May 29, 2007.

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1     Sec. 57. RETROACTIVE APPLICABILITY. The section of  
2 this Act amending 2007 Iowa Acts, chapter 212, applies  
3 retroactively to July 1, 2007.  
4     Sec. 58. RETROACTIVE APPLICABILITY. The section of  
5 this Act amending 2008 Iowa Acts, chapter 1190, applies  
6 retroactively to July 1, 2008.  
7     Sec. 59. RETROACTIVE APPLICABILITY. The section of  
8 this Act amending 2009 Iowa Acts, chapter 176, applies  
9 retroactively to July 1, 2009.  
10    Sec. 60. RETROACTIVE APPLICABILITY. The section of  
11 this Act amending 2010 Iowa Acts, chapter 1188, applies  
12 retroactively to July 1, 2010.  
13    Sec. 61. RETROACTIVE APPLICABILITY. The sections  
14 of this Act amending 2011 Iowa Acts, chapter 130,  
15 sections 1 and 67, apply retroactively to July 1, 2011.  
16    Sec. 62. RETROACTIVE APPLICABILITY. The sections  
17 of this Act amending 2012 Iowa Acts, chapter 1136,  
18 section 17, and 2011 Iowa Acts, chapter 130, section  
19 48, apply retroactively to July 1, 2012.>





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**Senate File 448 - Introduced**

SENATE FILE 448  
BY ZAUN

**A BILL FOR**

1 An Act relating to state taxes by eliminating the individual  
2 income tax, increasing the sales and use tax rates, making  
3 conforming changes, and including effective date and  
4 applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 DIVISION I  
2 REPEAL OF THE INDIVIDUAL INCOME TAX  
3 Section 1. Section 15.293A, subsection 1, paragraphs a and  
4 b, Code 2013, are amended to read as follows:  
5 a. A redevelopment tax credit shall be allowed against  
6 the taxes imposed in chapter 422, divisions ~~II~~, ~~III~~, and V,  
7 and in chapter 432, and against the moneys and credits tax  
8 imposed in section 533.329, for a portion of a taxpayer's  
9 equity investment, as provided in subsection 3, in a qualifying  
10 redevelopment project.  
11 ~~b. An individual may claim a tax credit under this~~  
12 ~~subsection of a partnership, limited liability company,~~  
13 ~~S corporation, estate, or trust electing to have income~~  
14 ~~taxed directly to the individual. The amount claimed by the~~  
15 ~~individual shall be based upon the pro rata share of the~~  
16 ~~individual's earnings from the partnership, limited liability~~  
17 ~~company, S corporation, estate, or trust.~~  
18 Sec. 2. Section 15.293A, subsection 2, paragraph b,  
19 subparagraphs (3) and (6), Code 2013, are amended to read as  
20 follows:  
21 (3) The tax credit certificate, unless rescinded by the  
22 authority, shall be accepted by the department of revenue as  
23 payment for taxes imposed pursuant to chapter 422, divisions  
24 ~~II~~, ~~III~~, and V, and in chapter 432, and for the moneys and  
25 credits tax imposed in section 533.329, subject to any  
26 conditions or restrictions placed by the authority upon  
27 the face of the tax credit certificate and subject to the  
28 limitations of this section.  
29 (6) A tax credit shall not be claimed by a transferee  
30 under this section until a replacement tax credit certificate  
31 identifying the transferee as the proper holder has been  
32 issued. The transferee may use the amount of the tax credit  
33 transferred against the taxes imposed in chapter 422, divisions  
34 ~~II~~, ~~III~~, and V, and in chapter 432, and against the moneys and  
35 credits tax imposed in section 533.329, for any tax year the

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1 original transferor could have claimed the tax credit. Any  
2 consideration received for the transfer of the tax credit shall  
3 not be included as income under chapter 422, divisions ~~II~~, ~~III~~,  
4 and V. Any consideration paid for the transfer of the tax  
5 credit shall not be deducted from income under chapter 422,  
6 divisions ~~II~~, ~~III~~, and V.

7 Sec. 3. Section 15.293A, subsection 4, Code 2013, is amended  
8 to read as follows:

9 4. For purposes of ~~individual and~~ corporate income taxes and  
10 the franchise tax, the increase in the basis of the redeveloped  
11 property that would otherwise result from the qualified  
12 redevelopment costs shall be reduced by the amount of the  
13 credit computed under this part.

14 Sec. 4. Section 15.333, subsection 1, Code 2013, is amended  
15 to read as follows:

16 1. An eligible business may claim a tax credit equal to  
17 a percentage of the new investment directly related to new  
18 jobs created or retained by the location or expansion of an  
19 eligible business under the program. The tax credit shall be  
20 amortized equally over five calendar years. The tax credit  
21 shall be allowed against taxes imposed under chapter 422,  
22 division ~~II~~, ~~III~~, or V, and against the moneys and credits tax  
23 imposed in section 533.329. ~~If the business is a partnership,~~  
24 ~~S corporation, limited liability company, cooperative organized~~  
25 ~~under chapter 501 and filing as a partnership for federal tax~~  
26 ~~purposes, or estate or trust electing to have the income taxed~~  
27 ~~directly to the individual, an individual may claim the tax~~  
28 ~~credit allowed. The amount claimed by the individual shall~~  
29 ~~be based upon the pro rata share of the individual's earnings~~  
30 ~~of the partnership, S corporation, limited liability company,~~  
31 ~~cooperative organized under chapter 501 and filing as a~~  
32 ~~partnership for federal tax purposes, or estate or trust. The~~  
33 percentage shall be determined as provided in section 15.335A.  
34 Any tax credit in excess of the tax liability for the tax year  
35 may be credited to the tax liability for the following seven

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1 years or until depleted, whichever occurs first.

2 Sec. 5. Section 15.335, subsection 6, Code 2013, is amended  
3 by striking the subsection.

4 Sec. 6. Section 15E.43, subsection 1, paragraph a, Code  
5 2013, is amended to read as follows:

6 a. For tax years beginning on or after January 1, 2002,  
7 a tax credit shall be allowed against the taxes imposed in  
8 chapter 422, divisions ~~II~~, ~~III~~, and V, and in chapter 432, and  
9 against the moneys and credits tax imposed in section 533.329,  
10 for a portion of a taxpayer's equity investment, as provided  
11 in subsection 2, in a qualifying business or a community-based  
12 seed capital fund. ~~An individual may claim a tax credit~~  
13 ~~under this paragraph of a partnership, limited liability~~  
14 ~~company, S corporation, estate, or trust electing to have~~  
15 ~~income taxed directly to the individual. The amount claimed~~  
16 ~~by the individual shall be based upon the pro rata share of the~~  
17 ~~individual's earnings from the partnership, limited liability~~  
18 ~~company, S corporation, estate, or trust.~~

19 Sec. 7. Section 15E.43, subsection 1, paragraph c, Code  
20 2013, is amended by striking the paragraph.

21 Sec. 8. Section 15E.44, subsection 4, Code 2013, is amended  
22 to read as follows:

23 4. After verifying the eligibility of a qualifying  
24 business, the authority shall issue a tax credit certificate  
25 to be attached to the equity investor's tax return. The tax  
26 credit certificate shall contain the taxpayer's name, address,  
27 tax identification number, the amount of credit, the name of  
28 the qualifying business, and other information required by the  
29 department of revenue. The tax credit certificate, unless  
30 rescinded by the authority, shall be accepted by the department  
31 of revenue as payment for taxes imposed pursuant to chapter  
32 422, divisions ~~II~~, ~~III~~, and V, and in chapter 432, and for the  
33 moneys and credits tax imposed in section 533.329, subject to  
34 any conditions or restrictions placed by the authority upon  
35 the face of the tax credit certificate and subject to the

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1 limitations of section 15E.43.

2 Sec. 9. Section 15E.45, subsection 4, Code 2013, is amended  
3 to read as follows:

4 4. After verifying the eligibility of the community-based  
5 seed capital fund, the authority shall issue a tax credit  
6 certificate to be attached to the taxpayer's tax return. The  
7 tax credit certificate shall contain the taxpayer's name,  
8 address, tax identification number, the amount of the tax  
9 credit, the name of the community-based seed capital fund, and  
10 other information required by the department of revenue. The  
11 tax credit certificate, unless rescinded by the authority,  
12 shall be accepted by the department of revenue or a local  
13 taxing district, as applicable, as payment for taxes imposed  
14 pursuant to chapter 422, divisions ~~II~~, ~~III~~, and V, and chapter  
15 432, and as payment for the moneys and credits tax imposed  
16 pursuant to section 533.329, subject to any conditions or  
17 restrictions placed by the authority on the face of the tax  
18 credit certificate and subject to the limitations of section  
19 15E.43.

20 Sec. 10. Section 15E.52, subsection 2, Code 2013, is amended  
21 to read as follows:

22 2. ~~a.~~ A tax credit shall be allowed against the taxes  
23 imposed in chapter 422, divisions ~~II~~, ~~III~~, and V, and in  
24 chapter 432, and against the moneys and credits tax imposed  
25 in section 533.329, for a portion of a taxpayer's equity  
26 investment in the form of cash in an innovation fund.

27 ~~b. An individual may claim a tax credit under this section~~  
28 ~~of a partnership, limited liability company, S corporation,~~  
29 ~~estate, or trust electing to have income taxed directly to~~  
30 ~~the individual. The amount claimed by the individual shall~~  
31 ~~be based upon the pro rata share of the individual's earnings~~  
32 ~~from the partnership, limited liability company, S corporation,~~  
33 ~~estate, or trust.~~

34 Sec. 11. Section 15E.62, subsection 6, Code 2013, is amended  
35 to read as follows:

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1     6. "*Tax credit*" means a contingent tax credit issued  
2 pursuant to section 15E.66 that is available against tax  
3 liabilities imposed by chapter 422, divisions II, III, and  
4 V, and by chapter 432 and against the moneys and credits tax  
5 imposed by section 533.329.

6     Sec. 12. Section 15E.66, subsection 1, Code 2013, is amended  
7 to read as follows:

8     1. The board may issue certificates and related tax credits  
9 to designated investors which, if redeemed for the maximum  
10 possible amount, shall not exceed a total aggregate of sixty  
11 million dollars of tax credits. The certificates shall be  
12 issued contemporaneously with a commitment to invest in the  
13 Iowa fund of funds by a designated investor. A certificate  
14 issued by the board shall have a specific maturity date or  
15 dates designated by the board and shall be redeemable only in  
16 accordance with the contingencies reflected on the certificate  
17 or incorporated therein by reference. A certificate and the  
18 related tax credit shall be transferable by the designated  
19 investor. A tax credit shall not be claimed or redeemed except  
20 by a designated investor or transferee in accordance with the  
21 terms of a certificate from the board. A tax credit shall not  
22 be claimed for a tax year that begins earlier than the maturity  
23 date or dates stated on the certificate. ~~An individual may~~  
24 ~~claim the credit of a partnership, limited liability company,~~  
25 ~~S corporation, estate, or trust electing to have the income~~  
26 ~~taxed directly to the individual. The amount claimed by the~~  
27 ~~individual shall be based upon the pro rata share of the~~  
28 ~~individual's earnings from the partnership, limited liability~~  
29 ~~company, S corporation, estate, or trust.~~ Any tax credit in  
30 excess of the taxpayer's tax liability for the tax year may be  
31 credited to the tax liability for the following seven years, or  
32 until depleted, whichever is earlier.

33     Sec. 13. Section 15E.193B, subsection 6, paragraph a, Code  
34 2013, is amended to read as follows:

35     a. An eligible housing business may claim a tax credit up

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1 to a maximum of ten percent of the new investment which is  
2 directly related to the building or rehabilitating of a minimum  
3 of four single-family homes located in that part of a city  
4 or county in which there is a designated enterprise zone or  
5 one multiple dwelling unit building containing three or more  
6 individual dwelling units located in that part of a city or  
7 county in which there is a designated enterprise zone. The new  
8 investment that may be used to compute the tax credit shall not  
9 exceed the new investment used for the first one hundred forty  
10 thousand dollars of value for each single-family home or for  
11 each unit of a multiple dwelling unit building containing three  
12 or more units. The tax credit may be used to reduce the tax  
13 liability imposed under chapter 422, division ~~II~~, ~~III~~, or V, or  
14 chapter 432. Any credit in excess of the tax liability for the  
15 tax year may be credited to the tax liability for the following  
16 seven years or until depleted, whichever occurs earlier. ~~If~~  
17 ~~the business is a partnership, S corporation, limited liability~~  
18 ~~company, or estate or trust electing to have the income taxed~~  
19 ~~directly to the individual, an individual may claim the tax~~  
20 ~~credit allowed. The amount claimed by the individual shall be~~  
21 ~~based upon the pro rata share of the individual's earnings of~~  
22 ~~the partnership, S corporation, limited liability company, or~~  
23 ~~estate or trust except as allowed for under subsection 8 when~~  
24 ~~low-income housing tax credits authorized under section 42 of~~  
25 ~~the Internal Revenue Code are used to assist in the financing~~  
26 ~~of the housing development.~~

27 Sec. 14. Section 15E.193B, subsection 8, unnumbered  
28 paragraph 2, Code 2013, is amended to read as follows:

29 The transferee may use the amount of the tax credit  
30 transferred against the taxes imposed under chapter 422,  
31 divisions ~~II~~, ~~III~~, and V, and chapter 432 for any tax year the  
32 original transferor could have claimed the tax credit. Any  
33 consideration received for the transfer of the tax credit shall  
34 not be included as income under chapter 422, divisions ~~II~~, ~~III~~,  
35 and V. Any consideration paid for the transfer of the tax



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1 credit shall not be deducted from income under chapter 422,  
2 divisions ~~II~~, ~~III~~, and V.

3 Sec. 15. Section 15E.305, subsection 1, Code 2013, is  
4 amended to read as follows:

5 1. For tax years beginning on or after January 1, 2003,  
6 a tax credit shall be allowed against the taxes imposed in  
7 chapter 422, divisions ~~II~~, ~~III~~, and V, and in chapter 432, and  
8 against the moneys and credits tax imposed in section 533.329  
9 equal to twenty-five percent of a taxpayer's endowment gift to  
10 an endow Iowa qualified community foundation. ~~An individual~~  
11 ~~may claim a tax credit under this section of a partnership,~~  
12 ~~limited liability company, S corporation, estate, or trust~~  
13 ~~electing to have income taxed directly to the individual. The~~  
14 ~~amount claimed by the individual shall be based upon the pro~~  
15 ~~rata share of the individual's earnings from the partnership,~~  
16 ~~limited liability company, S corporation, estate, or trust. A~~  
17 tax credit shall be allowed only for an endowment gift made to  
18 an endow Iowa qualified community foundation for a permanent  
19 endowment fund established to benefit a charitable cause in  
20 this state. The amount of the endowment gift for which the  
21 tax credit is claimed shall not be deductible in determining  
22 taxable income for state income tax purposes. Any tax credit  
23 in excess of the taxpayer's tax liability for the tax year may  
24 be credited to the tax liability for the following five years  
25 or until depleted, whichever occurs first. A tax credit shall  
26 not be carried back to a tax year prior to the tax year in which  
27 the taxpayer claims the tax credit.

28 Sec. 16. Section 16.211, subsection 1, paragraph a,  
29 unnumbered paragraph 1, Code 2013, is amended to read as  
30 follows:

31 A tax credit shall be allowed against the taxes imposed in  
32 chapter 422, ~~divisions II and~~ division III, for a portion of  
33 a taxpayer's qualifying investment, as provided in subsection  
34 3, in a qualifying disaster recovery housing project. To  
35 qualify as a disaster recovery housing project, a property, and

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1 the activities affecting the property, shall meet all of the  
2 following conditions:

3 Sec. 17. Section 16.211, subsection 1, paragraph a,  
4 subparagraph (1), Code 2013, is amended to read as follows:

5 (1) The property is owned by a taxpayer who is an  
6 ~~individual, a business, or corporation~~ subject to taxation  
7 under chapter 422, division ~~II or~~ III.

8 Sec. 18. Section 16.211, subsection 1, paragraph b, Code  
9 2013, is amended by striking the paragraph.

10 Sec. 19. Section 16.211, subsection 2, paragraph c, Code  
11 2013, is amended to read as follows:

12 c. The tax credit certificate, unless otherwise void, shall  
13 be accepted by the department of revenue as payment for taxes  
14 imposed pursuant to chapter 422, division ~~II or~~ III, subject  
15 to any conditions or restrictions placed by the authority upon  
16 the face of the tax credit certificate and subject to the  
17 limitations of this section.

18 Sec. 20. Section 16.211, subsection 4, Code 2013, is amended  
19 to read as follows:

20 4. For purposes of ~~individual and~~ corporate income taxes,  
21 the increase in the basis of the property that would otherwise  
22 result from the disaster recovery housing investment shall be  
23 reduced by the amount of the tax credit allowed under this  
24 section.

25 Sec. 21. Section 28A.24, Code 2013, is amended to read as  
26 follows:

27 **28A.24 Exemption from taxation.**

28 Since an authority is performing essential governmental  
29 functions, an authority is not required to pay any taxes or  
30 assessments of any kind or nature upon any property required  
31 or used by it for its purposes, or any rates, fees, rentals,  
32 receipts, or incomes at any time received by it, and the  
33 bonds issued by an authority, their transfer, and the income,  
34 including any profits made on the sale of the bonds, is  
35 deductible in determining net income for the purposes of the



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1 state ~~individual and~~ corporate income tax under ~~divisions II~~  
2 ~~and division~~ III of chapter 422, and shall not be taxed by any  
3 political subdivision of this state.

4 Sec. 22. Section 35A.13, subsection 2, paragraph b, Code  
5 2013, is amended to read as follows:

6 b. Moneys credited to the fund pursuant to an income tax  
7 checkoff provided in chapter 422, division II, Code 2013, if  
8 applicable.

9 Sec. 23. Section 68A.102, subsection 21, Code 2013, is  
10 amended by striking the subsection.

11 Sec. 24. Section 85.61, subsection 6, paragraph b, Code  
12 2013, is amended by striking the paragraph.

13 Sec. 25. Section 100B.13, subsection 2, paragraph a, Code  
14 2013, is amended to read as follows:

15 a. Moneys credited to the fund pursuant to an income tax  
16 checkoff provided in chapter 422, division II, Code 2013, if  
17 applicable.

18 Sec. 26. Section 175.17, subsection 10, Code 2013, is  
19 amended to read as follows:

20 10. Bonds and notes issued by the authority for purposes of  
21 financing the beginning farmer loan program provided in section  
22 175.12 are exempt from taxation by the state, and interest  
23 earned on the bonds and notes is deductible in determining  
24 net income for purposes of the state ~~individual and~~ corporate  
25 income tax under ~~divisions II and~~ division III of chapter 422.

26 Sec. 27. Section 175.37, subsection 1, Code 2013, is amended  
27 to read as follows:

28 1. An agricultural assets transfer tax credit is allowed  
29 under this section. The tax credit is allowed against the  
30 taxes imposed in chapter 422, ~~division II, as provided in~~  
31 ~~section 422.11M, and in chapter 422, division III, as provided~~  
32 in section 422.33, to facilitate the transfer of agricultural  
33 assets from a taxpayer to a beginning farmer.

34 Sec. 28. Section 175.37, subsection 3, Code 2013, is amended  
35 by striking the subsection.



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1 Sec. 29. Section 175.37, subsection 7, Code 2013, is amended  
2 to read as follows:

3 7. A tax credit in excess of the taxpayer's liability for  
4 the tax year may be credited to the tax liability for the  
5 following five years or until depleted, whichever is earlier.  
6 A tax credit shall not be carried back to a tax year prior to  
7 the tax year in which the taxpayer redeems the tax credit. A  
8 ~~tax credit shall not be transferable to any other person other~~  
9 ~~than the taxpayer's estate or trust upon the taxpayer's death.~~

10 Sec. 30. Section 235A.2, subsection 1, Code 2013, is amended  
11 to read as follows:

12 1. A child abuse prevention program fund is created in  
13 the state treasury under the control of the department of  
14 human services. The fund is composed of moneys appropriated  
15 or available to and obtained or accepted by the treasurer of  
16 state for deposit in the fund. The fund shall include moneys  
17 transferred to the fund pursuant to an income tax checkoff  
18 provided in chapter 422, division II, Code 2013, if applicable.  
19 All interest earned on moneys in the fund shall be credited to  
20 and remain in the fund. Section 8.33 does not apply to moneys  
21 in the fund.

22 Sec. 31. Section 257.19, Code 2013, is amended to read as  
23 follows:

24 **257.19 Instructional support funding.**

25 1. The additional funding for the instructional support  
26 program for a budget year is limited to an amount not exceeding  
27 ten percent of the total of regular program district cost  
28 for the budget year and moneys received under section 257.14  
29 as a budget adjustment for the budget year. Moneys received  
30 by a district for the instructional support program are  
31 miscellaneous income and may be used for any general fund  
32 purpose. However, moneys received by a district for the  
33 instructional support program shall not be used as, or in a  
34 manner which has the effect of, supplanting funds authorized to  
35 be received under sections 257.41, 257.46, 298.2, and 298.4,

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1 or to cover any deficiencies in funding for special education  
2 instructional services resulting from the application of the  
3 special education weighting plan under section 256B.9.

4 2. Certification of a board's intent to participate for  
5 a budget year, the method of funding, and the amount to be  
6 raised shall be made to the department of management not later  
7 than April 15 of the base year. Funding for the instructional  
8 support program shall be obtained from instructional support  
9 state aid and from local funding using either an instructional  
10 support property tax ~~or a combination of an instructional~~  
11 ~~support property tax and an instructional support income~~  
12 ~~surtax.~~

13 ~~The board of directors shall determine whether the~~  
14 ~~instructional support property tax or the combination of the~~  
15 ~~instructional support property tax and instructional support~~  
16 ~~income surtax shall be used for the local funding. Subject to~~  
17 ~~the limitation specified in section 298.14, if the board elects~~  
18 ~~to use the combination of the instructional support property~~  
19 ~~tax and instructional support income surtax, for each budget~~  
20 ~~year the board shall determine the percent of income surtax~~  
21 ~~that will be imposed, expressed as full percentage points, not~~  
22 ~~to exceed twenty percent.~~

23 Sec. 32. Section 257.21, Code 2013, is amended to read as  
24 follows:

25 **257.21 Computation of instructional support amount.**

26 The department of management shall establish the amount  
27 of instructional support property tax to be levied ~~and the~~  
28 ~~amount of instructional support income surtax to be imposed~~  
29 by a district in accordance with the decision of the board  
30 under section 257.19 for each school year for which the  
31 instructional support program is authorized. The department  
32 of management shall determine these amounts based upon the  
33 most recent figures available for the district's valuation of  
34 taxable property, ~~individual state income tax paid,~~ and budget  
35 enrollment in the district, and shall certify to the district's

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1 county auditor the amount of instructional support property  
2 tax, ~~and to the director of revenue the amount of instructional~~  
3 ~~support income surtax to be imposed if an instructional support~~  
4 ~~income surtax is to be imposed~~ levied.

5 ~~The instructional support income surtax shall be imposed on~~  
6 ~~the state individual income tax for the calendar year during~~  
7 ~~which the school's budget year begins, or for a taxpayer's~~  
8 ~~fiscal year ending during the second half of that calendar year~~  
9 ~~and after the date the board adopts a resolution to participate~~  
10 ~~in the program or the first half of the succeeding calendar~~  
11 ~~year, and shall be imposed on all individuals residing in the~~  
12 ~~school district on the last day of the applicable tax year.~~  
13 ~~As used in this section, "state individual income tax" means~~  
14 ~~the taxes computed under section 422.5, less the amounts of~~  
15 ~~nonrefundable credits allowed under chapter 422, division II.~~

16 Sec. 33. Section 257.29, subsections 3 and 4, Code 2013, are  
17 amended to read as follows:

18 3. The educational improvement program shall be funded  
19 by either an educational improvement property tax ~~or by a~~  
20 ~~combination of an educational improvement property tax and an~~  
21 ~~educational improvement income surtax. The method of raising~~  
22 ~~the educational improvement moneys shall be determined by the~~  
23 ~~board. Subject to the limitation in section 298.14, if the~~  
24 ~~board uses a combination of an educational improvement property~~  
25 ~~tax and an educational improvement income surtax, the board~~  
26 ~~shall determine the percent of income surtax to be imposed,~~  
27 ~~expressed as full percentage points, not to exceed twenty~~  
28 ~~percent.~~

29 4. The department of management shall establish the amount  
30 of the educational improvement property tax to be levied ~~or~~  
31 ~~the amount of the combination of the educational improvement~~  
32 ~~property tax to be levied and the amount of the school district~~  
33 ~~income surtax to be imposed for each school year that the~~  
34 ~~educational improvement amount is authorized. The educational~~  
35 ~~improvement property tax and income surtax, if an income~~



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1 ~~surtax is imposed~~, shall be levied ~~and imposed~~, collected,  
2 and paid to the school district in the manner provided for  
3 the instructional support program in ~~sections~~ section 257.21  
4 ~~through 257.26~~. Moneys received by a school district under the  
5 educational improvement program are miscellaneous income.

6 Sec. 34. Section 279.63, subsection 2, paragraph a, Code  
7 2013, is amended to read as follows:

8 a. All property tax levies, ~~income surtaxes~~, and local  
9 option sales taxes in place in the school district, listed by  
10 type of levy, rate, amount, duration, and notification of the  
11 maximum rate and amount limitations permitted by statute.

12 Sec. 35. Section 298.2, subsections 1 and 4, Code 2013, are  
13 amended to read as follows:

14 1. A physical plant and equipment levy of not exceeding  
15 one dollar and sixty-seven cents per thousand dollars of  
16 assessed valuation in the district is established except as  
17 otherwise provided in this subsection. The physical plant  
18 and equipment levy consists of the regular physical plant  
19 and equipment levy of not exceeding thirty-three cents per  
20 thousand dollars of assessed valuation in the district and  
21 a voter-approved physical plant and equipment levy of not  
22 exceeding one dollar and thirty-four cents per thousand  
23 dollars of assessed valuation in the district. ~~However, the~~  
24 ~~voter-approved physical plant and equipment levy may consist~~  
25 ~~of a combination of a physical plant and equipment property~~  
26 ~~tax levy and a physical plant and equipment income surtax~~  
27 ~~as provided in subsection 4 with the maximum amount levied~~  
28 ~~and imposed limited to an amount that could be raised by a~~  
29 ~~one dollar and thirty-four cent property tax levy~~. The levy  
30 limitations of this subsection are subject to subsection 6.

31 4. a. The board may on its own motion, and upon the  
32 written request of not less than one hundred eligible electors  
33 or thirty percent of the number of eligible electors voting  
34 at the last regular school election, whichever is greater,  
35 shall, direct the county commissioner of elections to provide



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1 for submitting the proposition of levying the voter-approved  
2 physical plant and equipment levy for a period of time  
3 authorized by the voters at the election, not to exceed ten  
4 years. The election shall be held on a date specified in  
5 section 39.2, subsection 4, paragraph "c". The proposition is  
6 adopted if a majority of those voting on the proposition at the  
7 election approves it. The voter-approved physical plant and  
8 equipment levy shall be funded either by a physical plant and  
9 equipment property tax or by a combination of a physical plant  
10 and equipment property tax and a physical plant and equipment  
11 income surtax, as determined by the board. However, if the  
12 board intends to enter into a rental or lease arrangement under  
13 section 279.26, or intends to enter into a loan agreement under  
14 section 297.36, only a property tax shall be levied for those  
15 purposes. Subject to the limitations of section 298.14, if  
16 the board uses a combination of a physical plant and equipment  
17 property tax and a physical plant and equipment surtax, for  
18 each fiscal year the board shall determine the percent of  
19 income surtax to be imposed expressed as full percentage  
20 points, not to exceed twenty percent.

21     b. If a combination of a property tax and income surtax  
22 is used, by April 15 of the previous school year, the board  
23 shall certify the percent of the income surtax to be imposed  
24 and the amount to be raised to the department of management  
25 and the department of management shall establish the rate of  
26 the property tax and income surtax for the school year. The  
27 physical plant and equipment property tax and income surtax  
28 shall be levied or imposed, collected, and paid to the school  
29 district in the manner provided for the instructional support  
30 program in sections section 257.21 through 257.26.

31     Sec. 36. Section 404A.1, subsection 1, paragraph a, Code  
32 2013, is amended to read as follows:

33     a. A historic preservation and cultural and entertainment  
34 district tax credit, subject to the availability of the  
35 credit, is granted against the tax imposed under chapter 422,

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1 division ~~II~~, ~~III~~, or V, or chapter 432, for the substantial  
2 rehabilitation of eligible property located in this state as  
3 provided in this chapter.

4 Sec. 37. Section 404A.2, subsection 2, Code 2013, is amended  
5 to read as follows:

6 2. For purposes of ~~individual and~~ corporate income taxes  
7 and the franchise tax, the increase in the basis of the  
8 rehabilitated property that would otherwise result from the  
9 qualified rehabilitation costs shall be reduced by the amount  
10 of the credit computed under this chapter.

11 Sec. 38. Section 404A.4, subsection 5, paragraph f, Code  
12 2013, is amended to read as follows:

13 f. The transferee may use the amount of the tax credit  
14 transferred against the taxes imposed under chapter 422,  
15 divisions ~~II~~, ~~III~~, and V, and chapter 432 for any tax year the  
16 original transferor could have claimed the tax credit. Any  
17 consideration received for the transfer of the tax credit shall  
18 not be included as income under chapter 422, divisions ~~II~~,  
19 ~~III~~, and V. Any consideration paid for the transfer of the tax  
20 credit shall not be deducted from income under chapter 422,  
21 divisions ~~II~~, ~~III~~, and V.

22 Sec. 39. Section 422.1, subsection 2, Code 2013, is amended  
23 to read as follows:

24 2. Division II ~~Personal net income tax~~ Provisions  
25 related to the business tax on corporations.

26 Sec. 40. Section 422.11L, subsection 1, unnumbered  
27 paragraph 1, Code 2013, is amended to read as follows:

28 The taxes imposed under this division, ~~less the credits~~  
29 ~~allowed under section 422.12~~, III shall be reduced by a solar  
30 energy system tax credit equal to the sum of the following:

31 Sec. 41. Section 422.11L, subsection 3, Code 2013, is  
32 amended to read as follows:

33 3. ~~a. An individual may claim the tax credit allowed a~~  
34 ~~partnership, limited liability company, S corporation, estate,~~  
35 ~~or trust electing to have the income taxed directly to the~~

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1 individual. ~~The amount claimed by the individual shall be~~  
2 ~~based upon the pro rata share of the individual's earnings of~~  
3 ~~the partnership, limited liability company, S corporation,~~  
4 ~~estate, or trust.~~

5 ~~b.~~ A taxpayer who is eligible to claim a credit under this  
6 section shall not be eligible to claim a renewable energy tax  
7 credit under chapter 476C.

8 Sec. 42. Section 422.11N, subsection 3, unnumbered  
9 paragraph 1, Code 2013, is amended to read as follows:

10 The taxes imposed under this division, ~~less the credits~~  
11 ~~allowed under section 422.12, III~~ shall be reduced by an  
12 ethanol promotion tax credit for each tax year that the  
13 taxpayer is eligible to claim the tax credit under this  
14 section. In order to be eligible, all of the following must  
15 apply:

16 Sec. 43. Section 422.11N, subsection 9, Code 2013, is  
17 amended by striking the subsection.

18 Sec. 44. Section 422.11O, subsection 2, unnumbered  
19 paragraph 1, Code 2013, is amended to read as follows:

20 The taxes imposed under this division, ~~less the credits~~  
21 ~~allowed under section 422.12, III~~ shall be reduced by an  
22 E-85 gasoline promotion tax credit for each tax year that  
23 the taxpayer is eligible to claim the tax credit under this  
24 subsection.

25 Sec. 45. Section 422.11O, subsection 7, Code 2013, is  
26 amended by striking the subsection.

27 Sec. 46. Section 422.11P, subsection 3, unnumbered  
28 paragraph 1, Code 2013, is amended to read as follows:

29 The taxes imposed under this division, ~~less the credits~~  
30 ~~allowed under section 422.12, III~~ shall be reduced by a  
31 biodiesel blended fuel tax credit for each tax year that  
32 the taxpayer is eligible to claim a tax credit under this  
33 subsection.

34 Sec. 47. Section 422.11P, subsection 7, Code 2013, is  
35 amended by striking the subsection.



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1 Sec. 48. Section 422.11S, subsection 1, Code 2013, is  
2 amended to read as follows:

3 1. The taxes imposed under ~~this division, less the credits~~  
4 ~~allowed under section 422.12, III~~ shall be reduced by a  
5 school tuition organization tax credit equal to sixty-five  
6 percent of the amount of the voluntary cash or noncash  
7 contributions made by the taxpayer during the tax year to a  
8 school tuition organization, subject to the total dollar value  
9 of the organization's tax credit certificates as computed in  
10 subsection 7. The tax credit shall be claimed by use of a tax  
11 credit certificate as provided in subsection 6.

12 Sec. 49. Section 422.11S, subsection 4, Code 2013, is  
13 amended by striking the subsection.

14 Sec. 50. Section 422.11S, subsection 7, paragraph a,  
15 subparagraph (2), Code 2013, is amended to read as follows:

16 (2) *"Total approved tax credits"* ~~means for the tax year~~  
17 ~~beginning in the 2006 calendar year, two million five hundred~~  
18 ~~thousand dollars, for the tax year beginning in the 2007~~  
19 ~~calendar year, five million dollars, and for tax years~~  
20 ~~beginning on or after January 1, 2008, seven million five~~  
21 ~~hundred thousand dollars. However, for tax years beginning on~~  
22 ~~or after January 1, 2012, "total approved tax credits" means~~  
23 ~~eight million seven hundred fifty for tax years beginning on~~  
24 ~~or after January 1, 2014, two million one hundred eighty-seven~~  
25 ~~thousand five hundred dollars.~~

26 Sec. 51. Section 422.11Y, subsection 3, unnumbered  
27 paragraph 1, Code 2013, is amended to read as follows:

28 The taxes imposed under ~~this division, less the credits~~  
29 ~~allowed under section 422.12, III~~ shall be reduced by the  
30 amount of the E-15 plus gasoline promotion tax credit for each  
31 tax year that the taxpayer is eligible to claim a tax credit  
32 under this subsection.

33 Sec. 52. Section 422.11Y, subsection 8, Code 2013, is  
34 amended by striking the subsection.

35 Sec. 53. Section 422.15, subsections 2 and 3, Code 2013, are

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1 amended by striking the subsections.

2 Sec. 54. Section 422.15, subsection 4, Code 2013, is amended  
3 to read as follows:

4 4. Notwithstanding ~~subsections~~ subsection 1, ~~2, and 3,~~ or  
5 any other provision of this chapter, withholding of income  
6 tax and any reporting requirement shall not be imposed upon  
7 a person, corporation, or withholding agent or any payor of  
8 deferred compensation, pensions, or annuities with regard to  
9 such payments made to a nonresident of the state.

10 Sec. 55. Section 422.21, Code 2013, is amended by striking  
11 the section and inserting in lieu thereof the following:

12 **422.21 Form and time of return.**

13 Returns shall be in the form the director prescribes, and  
14 shall be filed with the department on or before the last day  
15 of the fourth month after the expiration of the tax year.  
16 However, cooperative associations as defined in section 6072(d)  
17 of the Internal Revenue Code shall file their returns on or  
18 before the fifteenth day of the ninth month following the  
19 close of the taxable year and nonprofit corporations subject  
20 to the unrelated business income tax imposed by section  
21 422.33, subsection 1A, shall file their returns on or before  
22 the fifteenth day of the fifth month following the close of  
23 the taxable year. If, under the Internal Revenue Code, a  
24 corporation is required to file a return covering a tax period  
25 of less than twelve months, the state return shall be for the  
26 same period and is due forty-five days after the due date of  
27 the federal tax return, excluding any extension of time to  
28 file. In case of sickness, absence, or other disability, or  
29 if good cause exists, the director may allow further time for  
30 filing returns. The director shall cause to be prepared blank  
31 forms for the returns and shall cause them to be distributed  
32 throughout the state and to be furnished upon application,  
33 but failure to receive or secure the form does not relieve  
34 the taxpayer from the obligation of making a return that is  
35 required. The department may as far as consistent with the

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1 Code draft income tax forms to conform to the income tax  
2 forms of the internal revenue department of the United States  
3 government.

4 Sec. 56. Section 422.22, Code 2013, is amended to read as  
5 follows:

6 **422.22 Supplementary returns.**

7 If the director shall be of the opinion that any taxpayer  
8 required under ~~this~~ division III to file a return has failed  
9 to file such a return or to include in a return filed, either  
10 intentionally or through error, items of taxable income,  
11 the director may require from such taxpayer a return or  
12 supplementary return in such form as the director shall  
13 prescribe, of all the items of income which the taxpayer  
14 received during the year for which the return is made, whether  
15 or not taxable under the provisions of ~~this~~ division III. If  
16 from a supplementary return, or otherwise, the director finds  
17 that any items of income, taxable under ~~this~~ division III, have  
18 been omitted from the original return, the director may require  
19 the items so omitted to be added to the original return. Such  
20 supplementary return and the correction of the original return  
21 shall not relieve the taxpayer from any of the penalties to  
22 which the taxpayer may be liable under any provisions of ~~this~~  
23 division III, whether or not the director required a return or  
24 a supplementary return under this section.

25 Sec. 57. Section 422.32, Code 2013, is amended to read as  
26 follows:

27 **422.32 Definitions.**

28 ~~1-~~ For the purpose of this division and unless otherwise  
29 required by the context:

30 ~~a-~~ 1. "*Affiliated group*" means a group of corporations as  
31 defined in section 1504(a) of the Internal Revenue Code.

32 ~~b-~~ 2. a. "*Business income*" means income arising from  
33 transactions and activity in the regular course of the  
34 taxpayer's trade or business; or income from tangible and  
35 intangible property if the acquisition, management, and

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1 disposition of the property constitute integral parts of the  
2 taxpayer's regular trade or business operations; or gain or  
3 loss resulting from the sale, exchange, or other disposition of  
4 real property or of tangible or intangible personal property,  
5 if the property while owned by the taxpayer was operationally  
6 related to the taxpayer's trade or business carried on in  
7 Iowa or operationally related to sources within Iowa, or the  
8 property was operationally related to sources outside this  
9 state and to the taxpayer's trade or business carried on in  
10 Iowa; or gain or loss resulting from the sale, exchange, or  
11 other disposition of stock in another corporation if the  
12 activities of the other corporation were operationally related  
13 to the taxpayer's trade or business carried on in Iowa while  
14 the stock was owned by the taxpayer. A taxpayer may have more  
15 than one regular trade or business in determining whether  
16 income is business income.

17 ~~(1)~~ b. It is the intent of the general assembly to treat as  
18 apportionable business income all income that may be treated  
19 as apportionable business income under the Constitution of the  
20 United States.

21 ~~(2)~~ c. The filing of an Iowa income tax return on a  
22 combined report basis is neither allowed nor required by this  
23 ~~paragraph "b"~~ subsection.

24 ~~e.~~ 3. "*Commercial domicile*" means the principal place from  
25 which the trade or business of the taxpayer is directed or  
26 managed.

27 ~~d.~~ 4. "*Corporation*" includes joint stock companies, and  
28 associations organized for pecuniary profit, and partnerships  
29 and limited liability companies taxed as corporations under the  
30 Internal Revenue Code.

31 ~~e.~~ 5. "*Domestic corporation*" means any corporation  
32 organized under the laws of this state.

33 6. "*Fiduciary*" means a guardian, trustee, executor,  
34 administrator, receiver, conservator, or any person, whether  
35 individual or corporate, acting in any fiduciary capacity for

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- 1 any person, trust, or estate.  
2     7. "Fiscal year" means an accounting period of twelve  
3 months, ending on the last day of any month other than  
4 December.  
5     ~~8.~~ 8. "Foreign corporation" means any corporation other  
6 than a domestic corporation.  
7     9. "Foreign country" means any jurisdiction other than one  
8 embraced within the United States. The words "United States",  
9 when used in a geographical sense, include the states, the  
10 District of Columbia, and the possessions of the United States.  
11     10. "Income year" means the calendar year or the fiscal year  
12 upon the basis of which the net income is computed under this  
13 division.  
14     11. "Individual" means a natural person.  
15     ~~12.~~ 12. "Internal Revenue Code" means the Internal Revenue  
16 Code of 1954, prior to the date of its redesignation as the  
17 Internal Revenue Code of 1986 by the Tax Reform Act of 1986,  
18 or means the Internal Revenue Code of 1986 as amended to and  
19 including January 1, 2012.  
20     ~~13.~~ 13. "Nonbusiness income" means all income other than  
21 business income.  
22     14. The word "paid", for the purposes of the deductions  
23 under this division, means "paid or accrued" or "paid or  
24 incurred", and the terms "paid or incurred" and "paid or  
25 accrued" shall be construed according to the method of  
26 accounting upon the basis of which the net income is computed  
27 under this division. The term "received", for the purpose  
28 of the computation of net income under this division, means  
29 "received or accrued", and the term "received or accrued" shall  
30 be construed according to the method of accounting upon the  
31 basis of which the net income is computed under this division.  
32     15. "Resident" applies only to individuals and includes, for  
33 the purpose of determining liability to the tax imposed by this  
34 division upon or with reference to the income of any tax year,  
35 any individual domiciled in the state, and any other individual

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1 who maintains a permanent place of abode within the state.  
2 ~~i-~~ 16. "State" means any state of the United States, the  
3 District of Columbia, the Commonwealth of Puerto Rico, any  
4 territory or possession of the United States, and any foreign  
5 country or political subdivision thereof.  
6 ~~j-~~ 17. "Taxable in another state". For purposes of  
7 allocation and apportionment of income under this division, a  
8 taxpayer is "taxable in another state" if:  
9 (1) a. In that state the taxpayer is subject to a net  
10 income tax, a franchise tax measured by net income, a franchise  
11 tax for the privilege of doing business, or a corporate stock  
12 tax; or  
13 (2) b. That state has jurisdiction to subject the taxpayer  
14 to a net income tax regardless of whether, in fact, the state  
15 does or does not.  
16 18. a. "Tax year" means the calendar year, or the fiscal  
17 year ending during such calendar year, upon the basis of which  
18 the net income is computed under this division.  
19 b. If a taxpayer has made the election provided by section  
20 441, subsection "f", of the Internal Revenue Code, "tax year"  
21 means the annual period so elected, varying from fifty-two to  
22 fifty-three weeks.  
23 c. If the effective date or the applicability of a provision  
24 of this division is expressed in terms of a tax year beginning,  
25 including, or ending with reference to a specified date which  
26 is the first or last day of a month, a tax year described in  
27 paragraph "a" of this subsection shall be treated as beginning  
28 with the first day of the calendar month beginning nearest to  
29 the first day of the tax year or as ending with the last day of  
30 the calendar month ending nearest to the last day of the tax  
31 year.  
32 ~~k-~~ 19. "Unitary business" means a business carried on  
33 partly within and partly without a state where the portion  
34 of the business carried on within the state depends on or  
35 contributes to the business outside the state.



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1     ~~2. The words, terms, and phrases defined in division II,~~  
2     ~~section 422.4, subsections 4 to 6, 8, 9, 13, and 15 to 17, when~~  
3     ~~used in this division, shall have the meanings ascribed to them~~  
4     ~~in said section except where the context clearly indicates a~~  
5     ~~different meaning.~~

6     Sec. 58. Section 422.33, subsection 28, Code 2013, is  
7     amended to read as follows:

8     28. The taxes imposed under this division shall be reduced  
9     by a school tuition organization tax credit allowed under  
10    section 422.11S. ~~The maximum amount of tax credits that~~  
11    ~~may be approved under this subsection for a tax year equals~~  
12    ~~twenty-five percent of the school tuition organization's tax~~  
13    ~~credits that may be approved pursuant to section 422.11S,~~  
14    ~~subsection 7, for a tax year.~~

15    Sec. 59. Section 422D.1, Code 2013, is amended to read as  
16    follows:

17    **422D.1 Authorization — election — imposition and repeal —**  
18    **use of revenues.**

19    1. *a.* A county board of supervisors may offer for voter  
20    approval ~~any of the following taxes or a combination of the~~  
21    ~~following taxes:~~

22    ~~(1) Local option income surtax.~~

23    ~~(2) An an ad valorem property tax.~~

24    *b.* Revenues generated from ~~these taxes~~ the ad valorem  
25    property tax shall be used for emergency medical services as  
26    provided in section 422D.6.

27    2. ~~*a.*~~ The taxes property tax for emergency medical services  
28    shall only be imposed after an election at which a majority of  
29    those voting on the question of imposing the tax ~~or combination~~  
30    ~~of taxes specified in subsection 1, paragraph "a", subparagraph~~  
31    ~~(1) or (2),~~ vote in favor of the question. However, the tax  
32    ~~or combination of taxes specified in subsection 1~~ shall not  
33    be imposed on property within or on residents of a benefited  
34    emergency medical services district under chapter 357F. The  
35    question of imposing the tax ~~or combination of the taxes~~ may

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1 be submitted at the regular city election, a special election,  
2 or state general election. Notice of the question shall be  
3 provided by publication at least sixty days before the time of  
4 the election and shall identify the tax ~~or combination of taxes~~  
5 and the levy rate ~~or rates, as applicable~~. If a majority of  
6 those voting on the question approve the imposition of the tax  
7 ~~or combination of taxes~~, the tax ~~or combination of taxes~~ shall  
8 be ~~imposed as follows~~:

9 ~~(1) A local option income surtax shall be imposed for tax~~  
10 ~~years beginning on or after January 1 of the fiscal year in~~  
11 ~~which the favorable election was held.~~

12 ~~(2) An ad valorem property tax shall be imposed levied for~~  
13 ~~the fiscal year in which the election was held.~~

14 ~~b. Before a county imposes an income surtax as specified~~  
15 ~~in subsection 1, paragraph "a", subparagraph (1), a benefited~~  
16 ~~emergency medical services district in the county shall be~~  
17 ~~dissolved, and the county shall be liable for the outstanding~~  
18 ~~obligations of the benefited district. If the benefited~~  
19 ~~district extends into more than one county, the county imposing~~  
20 ~~the income surtax shall be liable for only that portion of the~~  
21 ~~obligations relating to the portion of the benefited district~~  
22 ~~in the county.~~

23 3. Revenues received by the county from the ~~taxes imposed~~  
24 tax levied under this chapter shall be deposited into the  
25 emergency medical services trust fund created pursuant to  
26 section 422D.6 and shall be used as provided in that section.

27 4. Any tax ~~or combination of taxes imposed~~ levied under this  
28 chapter shall be for a maximum period of five years.

29 Sec. 60. Section 425.23, subsection 4, paragraph b, Code  
30 2013, is amended to read as follows:

31 b. The annual adjustment factor for the 1998 base year is  
32 one hundred percent. For each subsequent base year, the annual  
33 adjustment factor equals the annual inflation factor for the  
34 calendar year, in which the base year begins, as computed in  
35 section 422.4 ~~for purposes of the individual income tax, Code~~

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1 2013.

2 Sec. 61. Section 476.20, subsection 3, paragraph b, Code  
3 2013, is amended to read as follows:

4 b. A qualified applicant for the low income home energy  
5 assistance program or the weatherization assistance program who  
6 is also a ~~"head of household", as defined in section 422.4,~~  
7 ~~subsection 7,~~ head of household shall be promptly certified  
8 by the local agency administering the applicant's program to  
9 the applicant's public utility that the resident is a ~~"head~~  
10 ~~of household" as defined in section 422.4, subsection 7,~~ head  
11 of household and is qualified for the low income home energy  
12 assistance program or weatherization assistance program.  
13 Notwithstanding subsection 1, a public utility furnishing gas  
14 or electricity shall not disconnect service from November 1  
15 through April 1 to a residence which has a resident that has  
16 been certified under this paragraph. For purposes of this  
17 paragraph, "head of household" has the same meaning as provided  
18 by the Internal Revenue Code.

19 Sec. 62. Section 476B.2, Code 2013, is amended to read as  
20 follows:

21 **476B.2 General rule.**

22 The owner of a qualified facility shall, for each  
23 kilowatt-hour of qualified electricity that the owner sells  
24 or uses for on-site consumption during the ten-year period  
25 beginning on the date the qualified facility was originally  
26 placed in service, be allowed a wind energy production tax  
27 credit to the extent provided in this chapter against the tax  
28 imposed in chapter 422, divisions II, III, and V, and chapter  
29 432, and may claim a refund of tax imposed by chapter 423 or  
30 437A for any tax year within the time period set forth in  
31 section 423.47 or 437A.14.

32 Sec. 63. Section 476B.6, subsection 5, paragraphs a through  
33 c, Code 2013, are amended to read as follows:

34 a. If the tax credit application is filed by a partnership,  
35 limited liability company, S corporation, estate, trust, or

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1 other reporting entity all of the income of which is taxed  
2 directly to its equity holders or beneficiaries, for the taxes  
3 imposed under chapter 422, division ~~II~~ ~~or~~ III, the tax credit  
4 certificate shall be issued directly to equity holders or  
5 beneficiaries of the applicant in proportion to their pro rata  
6 share of the income of such entity. The applicant shall, in  
7 the application made under this section, identify its equity  
8 holders or beneficiaries, and the percentage of such entity's  
9 income that is allocable to each equity holder or beneficiary.  
10     **b.** If the tax credit applicant under this section is  
11 eligible to receive renewable electricity production credits  
12 authorized under section 45 of the Internal Revenue Code,  
13 as amended, and the tax credit applicant is a partnership,  
14 limited liability company, S corporation, estate, trust, or  
15 other reporting entity all of the income of which is taxed  
16 directly to its equity holders or beneficiaries, for the taxes  
17 imposed under chapter 422, division ~~II~~ ~~or~~ III, the tax credit  
18 certificate may be issued to a partner if the business is a  
19 partnership, a shareholder if the business is an S corporation,  
20 or a member if the business is a limited liability company  
21 in the amounts designated by the eligible partnership, S  
22 corporation, or limited liability company. In absence of  
23 such designation, the credits under this section shall flow  
24 through to the partners, shareholders, or members in accordance  
25 with their pro rata share of the income of the entity. The  
26 applicant shall, in the application made under this section,  
27 identify the holders or beneficiaries that are to receive the  
28 tax credit certificates and the percentage of the tax credit  
29 that is allocable to each holder or beneficiary.  
30     **c.** If an applicant under this section is eligible to  
31 receive renewable electricity production credits authorized  
32 under section 45 of the Internal Revenue Code, as amended, and  
33 the tax credit applicant is a partnership, limited liability  
34 company, S corporation, estate, trust, or other reporting  
35 entity all of the income of which is taxed directly to its



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1 equity holders or beneficiaries, for the taxes imposed under  
2 chapter 422, division ~~II~~ or III, the tax credit certificates  
3 and all future rights to the tax credit in this section may be  
4 distributed to an equity holder or beneficiary as a liquidating  
5 distribution or portion thereof, of a holder or beneficiary's  
6 interest in the applicant entity. The applicant shall, in the  
7 application made under this section, designate the percentage  
8 of the tax credit allocable to the liquidating equity holder  
9 or beneficiary that is to receive the current and future tax  
10 credit certificates under this section.

11 Sec. 64. Section 476B.7, subsection 2, Code 2013, is amended  
12 to read as follows:

13 2. The tax credit shall be freely transferable. The  
14 transferee may use the amount of the tax credit transferred  
15 against the taxes imposed under chapter 422, divisions ~~II~~, III, ~~IV~~,  
16 and V, and chapter 432 for any tax year the original transferor  
17 could have claimed the tax credit. The transferee may claim  
18 a refund under chapter 423 or 437A for any tax year within  
19 the time period set forth in section 423.47 or 437A.14 for  
20 which the original transferor could have claimed a refund.  
21 Any consideration received for the transfer of the tax credit  
22 shall not be included as income under chapter 422, divisions  
23 ~~II~~, III, ~~IV~~, and V. Any consideration paid for the transfer of the  
24 tax credit shall not be deducted from income under chapter 422,  
25 divisions ~~II~~, III, ~~IV~~, and V.

26 Sec. 65. Section 476C.4, subsection 4, paragraph a, Code  
27 2013, is amended to read as follows:

28 a. If the tax credit application is filed by a partnership,  
29 limited liability company, S corporation, estate, trust, or  
30 other reporting entity all of the income of which is taxed  
31 directly to its equity holders or beneficiaries, for the taxes  
32 imposed under chapter 422, division ~~II~~ or III, the tax credit  
33 certificate shall be issued directly to equity holders or  
34 beneficiaries of the applicant in proportion to their pro rata  
35 share of the income of such entity. The applicant shall, in

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1 the application made under this section, identify its equity  
2 holders or beneficiaries, and the percentage of such entity's  
3 income that is allocable to each equity holder or beneficiary.

4 Sec. 66. Section 476C.4, subsection 4, paragraph b,  
5 subparagraph (1), Code 2013, is amended to read as follows:

6 (1) If the tax credit applicant under this section is  
7 eligible to receive renewable electricity production credits  
8 authorized under section 45 of the Internal Revenue Code,  
9 as amended, and the tax credit applicant is a partnership,  
10 limited liability company, S corporation, estate, trust, or  
11 other reporting entity all of the income of which is taxed  
12 directly to its equity holders or beneficiaries, for the taxes  
13 imposed under chapter 422, division ~~II~~ or III, the tax credit  
14 certificate may be issued to a partner if the business is a  
15 partnership, a shareholder if the business is an S corporation,  
16 or a member if the business is a limited liability company  
17 in the amounts designated by the eligible partnership, S  
18 corporation, or limited liability company. In absence of such  
19 designation, the credits under this section shall flow through  
20 to the partners, shareholders, or members in accordance with  
21 their pro rata share of the income of the entity.

22 Sec. 67. Section 476C.4, subsection 4, paragraph c,  
23 subparagraph (1), Code 2013, is amended to read as follows:

24 (1) If an applicant under this section is eligible to  
25 receive renewable electricity production credits authorized  
26 under section 45 of the Internal Revenue Code, as amended, and  
27 the tax credit applicant is a partnership, limited liability  
28 company, S corporation, estate, trust, or other reporting  
29 entity all of the income of which is taxed directly to its  
30 equity holders or beneficiaries, for the taxes imposed under  
31 chapter 422, division ~~II~~ or III, the tax credit certificates  
32 and all future rights to the tax credit in this section may be  
33 distributed to an equity holder or beneficiary as a liquidating  
34 distribution or portion thereof, of a holder or beneficiary's  
35 interest in the applicant entity.

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1 Sec. 68. Section 476C.6, subsection 1, paragraph b, Code  
2 2013, is amended to read as follows:

3 b. The transferee may use the amount of the tax credit  
4 transferred against taxes imposed under chapter 422, divisions  
5 ~~II~~, ~~III~~, and V, and chapter 432 for any tax year the original  
6 transferor could have claimed the tax credit. The transferee  
7 may claim a refund under chapter 423 or 437A for any tax  
8 year within the time period set forth in section 423.47 or  
9 437A.14 for which the original transferor could have claimed  
10 the refund. Any consideration received for the transfer of  
11 the tax credit shall not be included as income under chapter  
12 422, divisions ~~II~~, ~~III~~, and V. Any consideration paid for the  
13 transfer of the tax credit shall not be deducted from income  
14 under chapter 422, divisions ~~II~~, ~~III~~, and V.

15 Sec. 69. Section 483A.1A, subsection 10, paragraph e, Code  
16 2013, is amended to read as follows:

17 e. Is a member of the armed forces of the United States  
18 who is serving on active duty, and claims residency in this  
19 state, ~~and has filed a state individual income tax return~~  
20 ~~as a resident pursuant to chapter 422, division II, for the~~  
21 ~~preceding tax year~~, or is stationed in this state.

22 Sec. 70. REPEAL. Sections 68A.601, 257.22 through 257.26,  
23 298.14, 422.4 through 422.11B, 422.11D, 422.11F, 422.11H  
24 through 422.11J, 422.11M, 422.11Q, 422.11V through 422.11X,  
25 422.11Z, 422.12, 422.12B through 422.12E, 422.12H, 422.12J  
26 through 422.14, 422.16, 422.17, 422.19, 422.23, 422.27, 422.31,  
27 422D.2 through 422D.4, Code 2013, are repealed.

28 Sec. 71. CORRESPONDING AMENDMENTS LEGISLATION. Additional  
29 legislation is required to fully implement this division of  
30 this Act. The director of the department of revenue shall, in  
31 compliance with section 2.16, prepare draft legislation for  
32 submission to the legislative services agency, as necessary, to  
33 implement the repeal of the individual income tax under this  
34 division of this Act and under other provisions of law.

35 Sec. 72. APPLICABILITY. This division of this Act applies

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1 to tax years beginning on or after January 1, 2014.

2 DIVISION II

3 SALES AND USE TAX

4 Sec. 73. Section 423.2, subsection 1, unnumbered paragraph  
5 1, Code 2013, is amended to read as follows:

6 There is imposed a tax of ~~six~~ eleven percent upon the sales  
7 price of all sales of tangible personal property, consisting  
8 of goods, wares, or merchandise, sold at retail in the state  
9 to consumers or users except as otherwise provided in this  
10 subchapter.

11 Sec. 74. Section 423.2, subsections 2 and 3, Code 2013, are  
12 amended to read as follows:

13 2. A tax of ~~six~~ eleven percent is imposed upon the sales  
14 price of the sale or furnishing of gas, electricity, water,  
15 heat, pay television service, and communication service,  
16 including the sales price from such sales by any municipal  
17 corporation or joint water utility furnishing gas, electricity,  
18 water, heat, pay television service, and communication service  
19 to the public in its proprietary capacity, except as otherwise  
20 provided in this subchapter, when sold at retail in the state  
21 to consumers or users.

22 3. A tax of ~~six~~ eleven percent is imposed upon the  
23 sales price of all sales of tickets or admissions to places  
24 of amusement, fairs, and athletic events except those of  
25 elementary and secondary educational institutions. A tax  
26 of ~~six~~ eleven percent is imposed on the sales price of an  
27 entry fee or like charge imposed solely for the privilege of  
28 participating in an activity at a place of amusement, fair, or  
29 athletic event unless the sales price of tickets or admissions  
30 charges for observing the same activity are taxable under this  
31 subchapter. A tax of ~~six~~ eleven percent is imposed upon that  
32 part of private club membership fees or charges paid for the  
33 privilege of participating in any athletic sports provided club  
34 members.

35 Sec. 75. Section 423.2, subsection 4, paragraph a, Code



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1 2013, is amended to read as follows:

2     a. A tax of ~~six~~ eleven percent is imposed upon the sales  
3 price derived from the operation of all forms of amusement  
4 devices and games of skill, games of chance, raffles, and bingo  
5 games as defined in chapter 99B, and card game tournaments  
6 conducted under section 99B.7B, that are operated or conducted  
7 within the state, the tax to be collected from the operator in  
8 the same manner as for the collection of taxes upon the sales  
9 price of tickets or admission as provided in this section.  
10 Nothing in this subsection shall legalize any games of skill  
11 or chance or slot-operated devices which are now prohibited by  
12 law.

13     Sec. 76. Section 423.2, subsection 5, Code 2013, is amended  
14 to read as follows:

15     5. There is imposed a tax of ~~six~~ eleven percent upon the  
16 sales price from the furnishing of services as defined in  
17 section 423.1.

18     Sec. 77. Section 423.2, subsection 7, paragraph a,  
19 unnumbered paragraph 1, Code 2013, is amended to read as  
20 follows:

21     A tax of ~~six~~ eleven percent is imposed upon the sales  
22 price from the sales, furnishing, or service of solid waste  
23 collection and disposal service.

24     Sec. 78. Section 423.2, subsection 8, paragraph a, Code  
25 2013, is amended to read as follows:

26     a. A tax of ~~six~~ eleven percent is imposed on the sales  
27 price from sales of bundled transactions. For the purposes of  
28 this subsection, a "bundled transaction" is the retail sale of  
29 two or more distinct and identifiable products, except real  
30 property and services to real property, which are sold for one  
31 nonitemized price. A "bundled transaction" does not include  
32 the sale of any products in which the sales price varies, or  
33 is negotiable, based on the selection by the purchaser of the  
34 products included in the transaction.

35     Sec. 79. Section 423.2, subsection 9, Code 2013, is amended

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1 to read as follows:

2 9. A tax of ~~six~~ eleven percent is imposed upon the  
3 sales price from any mobile telecommunications service,  
4 including all paging services, that this state is allowed  
5 to tax pursuant to the provisions of the federal Mobile  
6 Telecommunications Sourcing Act, Pub. L. No. 106-252, 4 U.S.C.  
7 § 116 et seq. For purposes of this subsection, taxes on mobile  
8 telecommunications service, as defined under the federal Mobile  
9 Telecommunications Sourcing Act that are deemed to be provided  
10 by the customer's home service provider, shall be paid to  
11 the taxing jurisdiction whose territorial limits encompass  
12 the customer's place of primary use, regardless of where the  
13 mobile telecommunications service originates, terminates,  
14 or passes through and shall in all other respects be taxed  
15 in conformity with the federal Mobile Telecommunications  
16 Sourcing Act. All other provisions of the federal Mobile  
17 Telecommunications Sourcing Act are adopted by the state of  
18 Iowa and incorporated into this subsection by reference. With  
19 respect to mobile telecommunications service under the federal  
20 Mobile Telecommunications Sourcing Act, the director shall, if  
21 requested, enter into agreements consistent with the provisions  
22 of the federal Act.

23 Sec. 80. Section 423.2, subsection 11, paragraph b,  
24 subparagraph (3), Code 2013, is amended to read as follows:

25 (3) Transfer ~~one-sixth~~ one-eleventh of the remaining  
26 revenues to the secure an advanced vision for education fund  
27 created in section 423F.2. This subparagraph (3) is repealed  
28 December 31, 2029.

29 Sec. 81. Section 423.2, subsection 13, Code 2013, is amended  
30 to read as follows:

31 13. The sales tax rate of ~~six~~ eleven percent is reduced to  
32 ~~five~~ ten percent on January 1, 2030.

33 Sec. 82. Section 423.5, unnumbered paragraph 1, Code 2013,  
34 is amended to read as follows:

35 Except as provided in subsection 3, an excise tax at the



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1 rate of ~~six~~ eleven percent of the purchase price or installed  
2 purchase price is imposed on the following:

3 Sec. 83. Section 423.5, subsection 9, Code 2013, is amended  
4 to read as follows:

5 9. The use tax rate of ~~six~~ eleven percent is reduced to ~~five~~  
6 ten percent on January 1, 2030.

7 Sec. 84. Section 423.43, subsection 1, paragraph b, Code  
8 2013, is amended to read as follows:

9 b. Subsequent to the deposit into the general fund of  
10 the state and after the transfer of such revenues collected  
11 under chapter 423B, the department shall transfer ~~one-sixth~~  
12 one-eleventh of such remaining revenues to the secure an  
13 advanced vision for education fund created in section 423F.2.  
14 This paragraph is repealed December 31, 2029.

15 Sec. 85. EFFECTIVE DATE. This division of this Act takes  
16 effect January 1, 2014.

17 EXPLANATION

18 This bill relates to state taxes by repealing the individual  
19 income tax and increasing the state sales and use tax rates.

20 Division I repeals the individual income tax and makes  
21 numerous conforming changes to the Code to remove references  
22 to the individual income tax and to update or move provisions  
23 of the individual income tax that are also applicable by  
24 reference to the corporate income tax and the franchise tax.  
25 The division also repeals the emergency medical services income  
26 surtax in Code chapter 422D, the instructional support income  
27 surtax in Code section 257.21, the educational improvement  
28 income surtax in Code section 257.29, and the physical plant  
29 and equipment income surtax in Code section 298.2, because  
30 income surtax revenues will no longer be generated without the  
31 state individual income tax.

32 The division provides that additional legislation is  
33 required to fully implement the division and requires the  
34 director of the department of revenue to prepare draft  
35 legislation in compliance with Code section 2.16 for submission



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1 to the legislative services agency to implement the repeal of  
2 the individual income tax.

3 The division takes effect on January 1, 2014, and applies to  
4 tax years beginning on or after that date.

5 Division II increases the state sales and use tax rate to 11  
6 percent from 6 percent.

7 The division takes effect on January 1, 2014.



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**Senate File 449 - Introduced**

SENATE FILE 449  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 412)  
(SUCCESSOR TO SSB 1024)

**A BILL FOR**

1 An Act providing for a small employer health insurance tax  
2 credit against the individual and corporate income tax,  
3 the franchise tax, the insurance premium tax, the county  
4 and state mutual insurance associations premium taxes,  
5 and the moneys and credits tax, and including retroactive  
6 applicability provisions.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 422.11E Small employer health  
2 insurance tax credit.

3 1. The taxes imposed under this division, less the credits  
4 allowed under section 422.12, shall be reduced by a small  
5 employer health insurance tax credit equal to twenty-five  
6 percent of the federal small employer health insurance tax  
7 credit provided in section 45R of the Internal Revenue Code to  
8 a taxpayer whose commercial domicile, as defined in section  
9 422.32, is in this state.

10 2. An individual may claim the tax credit allowed to a  
11 partnership, limited liability company, S corporation, estate,  
12 or trust that elects to have the income taxed directly to the  
13 individual. The amount claimed by the individual shall be  
14 based upon the pro rata share of the individual's earnings of  
15 the partnership, limited liability company, S corporation,  
16 estate, or trust.

17 3. Any credit in excess of the tax liability is refundable.  
18 In lieu of claiming a refund, the taxpayer may elect to have  
19 the excess shown on the taxpayer's final, completed return  
20 credited to the tax liability for the following tax year.

21 4. The credit shall be claimed in the manner and on the  
22 forms prescribed by the director of revenue.

23 Sec. 2. Section 422.33, Code 2013, is amended by adding the  
24 following new subsection:

25 NEW SUBSECTION. 15. The taxes imposed under this division  
26 shall be reduced by a small employer health insurance tax  
27 credit authorized pursuant to section 422.11E.

28 Sec. 3. Section 422.60, Code 2013, is amended by adding the  
29 following new subsection:

30 NEW SUBSECTION. 12. The taxes imposed under this division  
31 shall be reduced by a small employer health insurance tax  
32 credit authorized pursuant to section 422.11E.

33 Sec. 4. NEW SECTION. 432.12N Small employer health  
34 insurance tax credit.

35 The taxes imposed under this chapter shall be reduced by a

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1 small employer health insurance tax credit authorized pursuant  
2 to section 422.11E.

3 Sec. 5. Section 518.18, Code 2013, is amended by adding the  
4 following new subsection:

5 NEW SUBSECTION. 4. The taxes imposed under this section  
6 shall be reduced by a small employer health insurance tax  
7 credit authorized pursuant to section 422.11E.

8 Sec. 6. Section 518A.35, Code 2013, is amended by adding the  
9 following new subsection:

10 NEW SUBSECTION. 4. The taxes imposed under this section  
11 shall be reduced by a small employer health insurance tax  
12 credit authorized pursuant to section 422.11E.

13 Sec. 7. Section 533.329, subsection 2, Code 2013, is amended  
14 by adding the following new paragraph:

15 NEW PARAGRAPH. k. The moneys and credits tax imposed  
16 under this section shall be reduced by a small employer health  
17 insurance tax credit authorized pursuant to section 422.11E.

18 Sec. 8. RETROACTIVE APPLICABILITY. This Act applies  
19 retroactively to January 1, 2013, for tax years beginning on  
20 or after that date.

21 EXPLANATION

22 The federal Patient Protection and Affordable Care Act (Pub.  
23 L. No. 111-148) provided for a small employer health insurance  
24 income tax credit (section 45R of the Internal Revenue Code)  
25 equal to a certain percentage of the cost of health insurance  
26 premiums made by an eligible small employer on behalf of its  
27 employees. This bill provides for an Iowa tax credit against  
28 the individual and corporate income tax, the franchise tax, the  
29 insurance premiums tax, the county and state mutual insurance  
30 associations premium taxes, and the moneys and credits tax,  
31 in an amount equal to 25 percent of the federal credit for a  
32 taxpayer whose commercial domicile is in this state.

33 An individual may claim the tax credit allowed a  
34 partnership, limited liability company, S corporation, estate,  
35 or trust electing to have the income taxed directly to the



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1 individual, based upon the pro rata share of the individual's  
2 earnings. The tax credit is refundable or may be carried  
3 forward to the next tax year. The credit shall be claimed  
4 in the manner and on the forms prescribed by the director of  
5 revenue.

6 The bill applies retroactively to January 1, 2013, for tax  
7 years beginning on or after that date.